

ELLSWORTH GROWTH & INCOME FUND LTD
Form N-Q
February 29, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-04656

Ellsworth Growth and Income Fund Ltd.

(Exact name of registrant as specified in charter)

65 Madison Avenue, Morristown, New Jersey 07960-7308

(Address of principal executive offices) (Zip code)

James A. Dinsmore

Ellsworth Growth and Income Fund Ltd.

65 Madison Avenue

Morristown, New Jersey 07960-7308

(Name and address of agent for service)

Registrant's telephone number, including area code: 973-631-1177

Date of fiscal year end: September 30, 2016

Date of reporting period: December 31, 2015

ITEM 1. SCHEDULE OF INVESTMENTS.

Ellsworth Growth and Income Fund Ltd.**Schedule of Investments — December 31, 2015 (unaudited)**

	Principal Amount	Market Value
Convertible Bonds and Notes - 47.7%		
Air Freight & Logistics - 1.5%		
Atlas Air Worldwide Holdings, Inc., 2.25%, Due 6/1/22	\$1,000,000	\$832,500
Echo Global Logistics, Inc., 2.50%, Due 5/1/20	1,125,000	990,000
		1,822,500
Automobiles - 0.2%		
Tesla Motors, Inc., 1.25%, Due 3/1/21	200,000	184,250
Biotechnology - 4.1%		
Array BioPharma Inc., 3.00%, Due 6/1/20	250,000	232,656
Exelixis, Inc., 4.25%, Due 8/15/19	250,000	294,375
Gilead Sciences, Inc., 1.625%, Due 5/1/16	300,000	1,341,002
Incyte Corp., 1.25%, Due 11/15/20	500,000	1,091,250
OPKO Health Inc., 3.00%, Due 2/1/33	200,000	319,125
Regeneron Pharmaceuticals, Inc., 1.875%, Due 10/1/16	250,000	1,615,469
		4,893,877
Communications Equipment - 4.0%		
CalAmp Corp., 1.625%, Due 5/15/20 (a)	1,550,000	1,535,469
Harmonic Inc., 4.00%, Due 12/1/20 (a)	1,000,000	955,000
InterDigital, Inc., 1.50%, Due 3/1/20 (a)	1,500,000	1,442,812
Oclaro, Inc., 6.00%, Due 2/15/20	400,000	774,000
		4,707,281
Construction & Engineering - 0.8%		
Dycom Industries, Inc., 0.75%, Due 9/15/21 (a)	1,000,000	987,500
Consumer Finance - 0.7%		
Encore Capital Group, Inc., 3.00%, Due 7/1/20	1,000,000	857,500
Diversified Consumer Services - 1.0%		
Carriage Services, Inc., 2.75%, Due 3/15/21	1,000,000	1,183,125
Diversified Telecommunication Services - 0.9%		
Alaska Communications Systems Group, Inc., 6.25%, Due 5/1/18	1,000,000	1,008,750

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Electrical Equipment - 0.6%		
SolarCity Corp., 2.75%, Due 11/1/18	750,000	726,562
Health Care Equipment & Supplies - 0.8%		
Quidel Corp., 3.25%, Due 12/15/20	500,000	487,188
Trinity Biotech Investment Ltd., 4.00%, Due 4/1/45	500,000	450,938
		938,126
Health Care Providers & Services - 1.7%		
Aceto Corp., 2.00%, Due 11/1/20 (a)	500,000	509,062
Molina Healthcare Inc., 1.125%, Due 1/15/20	1,000,000	1,560,000
		2,069,062
Household Durables - 1.5%		
Jarden Corp., 1.875%, Due 9/15/18	500,000	911,562
Jarden Corp., 1.125%, Due 3/15/34	750,000	923,906
		1,835,468
Internet & Catalog Retail - 1.8%		
The Priceline Group Inc., 1.00%, Due 3/15/18	1,500,000	2,140,312

Ellsworth Growth and Income Fund Ltd.**Schedule of Investments (continued) — December 31, 2015**

	Principal Amount	Market Value
Convertible Bonds and Notes - continued		
Internet Software & Services - 2.4%		
Blucora, Inc., 4.25%, Due 4/1/19	\$1,000,000	\$833,750
Monster Worldwide, Inc., 3.50%, Due 10/15/19	500,000	637,500
Web.com Group, Inc., 1.00%, Due 8/15/18	1,500,000	1,408,125
		2,879,375
IT Services - 0.9%		
CSG Systems International, Inc., 3.00%, Due 3/1/17	650,000	1,035,938
Leisure Products - 0.5%		
JAKKS Pacific, Inc., 4.875%, Due 6/1/20 (a)	617,000	600,032
Media - 0.8%		
Global Eagle Entertainment Inc., 2.75%, Due 2/15/35	1,125,000	951,328
Oil, Gas & Consumable Fuels - 0.9%		
Cheniere Energy, Inc., 4.25%, Due 3/15/45	1,500,000	783,750
Clean Energy Fuels Corp., 5.25%, Due 10/1/18	500,000	253,125
Goodrich Petroleum Corp., 5.00%, Due 10/1/32	258,000	70,466
		1,107,341
Personal Products - 0.6%		
Teligent, Inc., 3.75%, Due 12/15/19	750,000	729,375
Pharmaceuticals - 3.2%		
ANI Pharmaceuticals, Inc., 3.00%, Due 12/1/19	750,000	733,594
Horizon Pharma Investment Ltd., 2.50%, Due 3/15/22 cv. into Horizon Pharma plc ordinary shares (a)	1,000,000	1,000,625
Jazz Investments I Ltd., 1.875%, Due 8/15/21 guaranteed by Jazz Pharmaceuticals plc and cv. into Jazz Pharmaceuticals plc ordinary shares	710,000	746,388
The Medicines Co., 2.50%, Due 1/15/22 (a)	1,000,000	1,272,500
		3,753,107
Real Estate Investment Trusts - 2.2%		
Colony Capital, Inc., 5.00%, Due 4/15/23	1,000,000	970,000
Extra Space Storage LP, 3.125%, Due 10/1/35 (a)	1,000,000	1,094,375
Spirit Realty Capital, Inc., 3.75%, Due 5/15/21	500,000	474,065
		2,538,440
Real Estate Management & Development - 0.9%		

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Forest City Enterprises, Inc., 3.625%, Due 8/15/20	1,000,000	1,063,750
Semiconductor Equipment - 4.8%		
Inphi Corp., 1.125%, Due 12/1/20 (a)	750,000	717,188
Micron Technology, Inc., 3.00%, Due 11/15/43	1,500,000	1,254,375
NXP Semiconductors N.V., 1.00%, Due 12/1/19	1,500,000	1,650,938
Spansion LLC, 2.00%, Due 9/1/20	200,000	373,875
SunEdison, Inc., 2.75%, Due 1/1/21	500,000	252,812
SunEdison, Inc., 0.25%, Due 1/15/20 (a)	750,000	292,500
SunPower Corp., 4.00%, Due 1/15/23 (a)	1,000,000	1,203,750
		5,745,438

Ellsworth Growth and Income Fund Ltd.**Schedule of Investments (continued) — December 31, 2015**

	Principal Amount	Market Value
Convertible Bonds and Notes - continued		
Software - 8.8%		
Bottomline Technologies, Inc., 1.50%, Due 12/1/17	\$ 1,250,000	\$ 1,412,500
EnerNOC, Inc., 2.25%, Due 8/15/19	850,000	497,781
FireEye, Inc., 1.625%, Due 6/1/35 (a)	1,500,000	1,210,312
Mentor Graphics Corp., 4.00%, Due 4/1/31	1,250,000	1,308,594
MercadoLibre, Inc., 2.25%, Due 7/1/19	500,000	559,688
Proofpoint, Inc., 0.75%, Due 6/15/20 (a)	1,250,000	1,313,281
PROS Holdings, Inc., 2.00%, Due 12/1/19	500,000	490,625
Synchronoss Technologies, Inc., 0.75%, Due 8/15/19	1,250,000	1,262,500
Take-Two Interactive Software, Inc., 1.75%, Due 12/1/16	400,000	732,500
TeleCommunication Systems, Inc., 7.75%, Due 6/30/18	500,000	510,000
Verint Systems Inc., 1.50%, Due 6/1/21	1,250,000	1,178,125
		10,475,906
Technology, Hardware & Storage - 1.3%		
SanDisk Corp., 1.50%, Due 8/15/17	1,000,000	1,573,125
Trading Companies & Distributors - 0.8%		
Kaman Corp., 3.25%, Due 11/15/17	750,000	964,688
Total Convertible Bonds and Notes		56,772,156
	Shares	
Convertible Preferred Stocks - 7.7%		
Capital Markets - 0.3%		
Cowen Group, Inc., 5.625%	500	375,125
Commercial Banks - 1.9%		
Huntington Bancshares, Inc., 8.50%	1,250	1,700,000
Wells Fargo & Co., 7.50%	500	579,188
		2,279,188
Diversified Financial Services - 0.9%		
Bank of America Corp., 7.25%	1,000	1,093,270
Food Products - 0.8%		
Bunge Ltd., 4.875%	10,000	930,400

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Machinery - 1.0%		
Stanley Black & Decker, Inc., 6.25%	10,000	1,167,900
Oil, Gas & Consumable Fuels - 0.2%		
Chesapeake Energy Corp., 5.75%	1,050	199,500
Real Estate Investment Trusts - 1.0%		
Welltower Inc., 6.50%	20,000	1,218,200
Specialty Retail - 0.6%		
Amerivon Holdings LLC, 4.00%, (a,b,c)	694,670	733,636
Amerivon Holdings LLC, common equity units, (a,b,c)	272,728	16,364
		750,000
Thrift & Mortgage Finance - 1.0%		
New York Community Capital Trust V, 6.00%	24,000	1,200,000
Total Convertible Preferred Stocks		9,213,582

Ellsworth Growth and Income Fund Ltd.**Schedule of Investments (continued) — December 31, 2015**

	Shares	Market Value
Mandatory Convertible Securities - 15.1% (d)		
Automobiles - 0.5%		
Fiat Chrysler Automobiles N.V., 7.875%, Due 12/15/16	5,000	\$582,188
Biotechnology - 1.3%		
AmSurg Corp., 5.25%, Due 7/1/17	10,500	1,513,312
Commercial Services & Supplies - 0.8%		
Stericycle, Inc., 5.25%, Due 9/15/18	10,000	915,600
Diversified Telecommunication - 0.8%		
Frontier Communications Corp, 11.125%, Due 6/29/18	10,000	915,800
Electric Utilities - 1.3%		
NextEra Energy, Inc., 6.371%, Due 9/1/18	30,000	1,584,900
Food Products - 1.0%		
Tyson Foods, Inc., 4.75%, Due 7/15/17	20,000	1,213,600
Health Care Providers & Services - 1.8%		
Anthem, Inc., 5.25%, Due 5/1/18	30,000	1,381,500
Kindred Healthcare, Inc., 7.50%, Due 11/19/17	1,250	831,562
		2,213,062
Insurance - 0.9%		
Maiden Holdings, Ltd., 7.25%, Due 9/15/16	20,000	1,057,500
Multi-Utilities - 0.9%		
Dominion Resources, Inc., 6.375%, Due 7/1/17	20,000	961,600
Oil, Gas & Consumable Fuels - 0.4%		
Anadarko Petroleum Corp, 7.50%, Due 6/7/18	15,000	
cv. into Western Gas Equity Partners LP		509,250
Pharmaceuticals - 3.5%		
Allergan plc, 5.50%, Due 3/1/18	2,300	2,369,414
Teva Pharmaceutical Industries, 7.00%, Due 12/15/18	1,883	1,915,686
		4,285,100

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Real Estate Investment Trusts - 1.3%		
Weyerhaeuser Co., 6.375%, Due 7/1/16	30,000	1,508,400
Wireless Telecommunication Services - 0.6%		
T-Mobile US, Inc., 5.50%, Due 12/15/17	10,000	677,100
Total Mandatory Convertible Securities (d)		17,937,412
Common Stocks - 29.5%		
Automobiles - 1.2%		
Ford Motor Co.	100,000	1,409,000
Capital Markets - 1.0%		
BlackRock Capital Investment Corp.	131,034	1,231,720

Ellsworth Growth and Income Fund Ltd.

Schedule of Investments (continued) — December 31, 2015

	Shares	Market Value
Common Stocks - continued		
Commercial Banks - 1.0%		
Wells Fargo & Co.	22,200	\$ 1,200,000
Diversified Financial Services - 1.3%		
Citigroup Inc.	29,546	1,520,000
Diversified Telecommunication - 2.6%		
AT&T Inc.	50,000	1,720,000
Verizon Communications Inc.	30,000	1,380,000
Energy Equipment & Services - 0.5%		
Chevron Corp.	7,000	629,000
Food Products - 3.1%		
B&G Foods, Inc.	35,000	1,220,000
ConAgra Foods, Inc.	35,000	1,470,000
Unilever N.V. (ADR)	24,000	1,030,000
Household -----		3,740,000
----- Total Private Placement Investments \$180,747,138 \$181,395,519 -----		
----- *09/24/04 and 12/22/06.		

21 CONSOLIDATED SCHEDULE OF INVESTMENTS(CONT.) MASSMUTUAL CORPORATE INVESTORS March 31, 2007 (Unaudited) Shares or Interest Due Principal CORPORATE RESTRICTED SECURITIES: (A) (CONTINUED) Rate Date Amount Cost Fair Value -----

----- RULE 144A SECURITIES - 6.53%: BONDS - 6.53% American Tire Distributor (C) 11.610% 04/01/12 \$ 1,000,000 \$ 950,000 \$ 1,000,000 Aramark Corporation 8.500 02/01/15 200,000 200,000 207,000 Aramark Corporation 8.860 02/01/15 200,000 200,000 205,750 Bombardier, Inc. 6.300 05/01/14 1,000,000 890,000 950,000 Calpine Corporation 8.750 07/15/13 500,000 465,000 532,500 Chaparral Energy, Inc. 8.875 02/01/17 1,500,000 1,491,780 1,507,500 Charter Communications Op LLC 8.000 04/30/12 250,000 249,375 260,313 Douglas Dynamics LLC 7.750 01/15/12 630,000 633,138 585,900 G F S I, Inc. (C) 11.500 06/01/11 750,000 682,541 742,500 H C A, Inc. 9.250 11/15/16 975,000 992,077 1,051,781 Hawker Beechcraft Acquisition Co. 9.750 04/01/17 50,000 50,000 52,250 Idearc, Inc. 8.000 11/15/16 600,000 600,000 617,250 Packaging Dynamics Corporation of America 10.000 05/01/16 1,250,000 1,256,718 1,287,500 Pregis Corporation 12.375 10/15/13 1,000,000 981,490 1,100,000 Rental Service Corporation 9.500 12/01/14 1,000,000 1,014,073 1,065,000 Sbarro, Inc. 10.375 02/01/15 1,000,000 1,019,857 1,040,000 Steel Dynamics, Inc. 6.750 04/01/15 200,000 200,000 200,500 Stewart & Stevenson LLC 10.000 07/15/14 1,500,000

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1,540,281 1,571,250 Tekni-Plex, Inc. 9.750 11/15/13 650,000 655,604 650,000 Tenaska Alabama Partners LP
 7.000 06/30/21 342,701 342,701 344,884 Titan International, Inc. 8.000 01/15/12 150,000 150,000 154,313
 Tube City IMS Corporation 9.750 02/01/15 625,000 649,891 650,000 Tunica-Biloxi Gaming Authority 9.000
 11/15/15 1,000,000 1,031,675 1,062,500 ----- TOTAL BONDS 16,246,201 16,838,691
 ----- COMMON STOCK - 0.00% Jordan Telecom Products (B) 70 \$ 14,000 -- -----
 ----- TOTAL COMMON STOCK 14,000 -- ----- WARRANTS - 0.00% Winslow
 Furniture, Inc. (B) 900 \$ 9 \$ -- ----- TOTAL WARRANTS 9 -- ----- TOTAL
 RULE 144A SECURITIES 16,260,210 16,838,691 ----- TOTAL CORPORATE
 RESTRICTED SECURITIES \$197,007,348 \$198,234,210 -----

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CONSOLIDATED SCHEDULE OF INVESTMENTS(CONT.) MASSMUTUAL CORPORATE

INVESTORS March 31, 2007 (Unaudited) Interest Due Principal CORPORATE PUBLIC SECURITIES -
 27.16%: (A) Rate Date Amount Cost Market Value ----- BONDS -
 25.87% A M C Entertainment, Inc. 11.000% 02/01/16 \$ 815,000 \$ 817,362 \$ 928,080 Activant Solutions, Inc.
 9.500 05/01/16 150,000 150,000 147,750 Affinia Group, Inc. 9.000 11/30/14 1,010,000 936,125 1,025,150
 Alamosa Delaware, Inc. 11.000 07/31/10 325,000 328,528 347,353 Alamosa Delaware, Inc. 8.500 01/31/12
 400,000 400,000 423,558 ALH Fin LLC / ALH Fin Corporation 8.500 01/15/13 1,450,000 1,418,813
 1,446,375 Allied Waste NA 7.875 04/15/13 1,000,000 1,021,459 1,037,500 Appleton Papers, Inc. 8.125
 06/15/11 300,000 300,000 308,250 Atlas Pipeline Partners 8.125 12/15/15 200,000 200,000 206,000 Bally
 Total Fitness Holdings Corporation 9.875 10/15/07 135,000 128,925 109,013 Basic Energy Services 7.125
 04/15/16 225,000 225,000 219,375 BCP Crystal US Holdings Corporation 9.625 06/15/14 485,000 485,000
 550,920 Blockbuster, Inc. (C) 9.000 09/01/12 475,000 475,903 479,750 Brigham Exploration Co. 9.625
 05/01/14 700,000 690,403 707,000 CCH I Holdings LLC 11.125 01/15/14 2,000,000 1,573,688 1,870,000
 Cablevision Systems Corporation 8.000 04/15/12 1,000,000 1,013,079 1,015,000 Cenveo Corporation 7.875
 12/01/13 1,100,000 1,100,000 1,078,000 Chemed Corporation 8.750 02/24/11 1,125,000 1,125,000 1,170,000
 Cincinnati Bell, Inc. 8.375 01/15/14 1,100,000 1,007,500 1,124,750 Clayton Williams Energy, Inc. 7.750
 08/01/13 800,000 800,000 752,000 Dave and Buster's, Inc. 11.250 03/15/14 1,500,000 1,537,565 1,530,000
 Del Monte Corporation 8.625 12/15/12 225,000 225,000 234,000 Dynegy Holdings, Inc. 6.875 04/01/11
 500,000 422,500 501,250 Dynegy Holdings, Inc. 8.375 05/01/16 330,000 330,000 343,200 Edison Mission
 Energy 7.750 06/15/16 55,000 55,000 57,338 Esterline Technologies 7.750 06/15/13 200,000 200,000
 205,500 Flextronics International Ltd. 6.500 05/15/13 400,000 400,000 396,000 Ford Motor Credit Co. 7.375
 10/28/09 1,250,000 1,246,875 1,247,703 Ford Motor Credit Co. 8.000 12/15/16 300,000 294,966 288,980
 Freeport-McMoran Copper & Gold 8.375 04/01/17 385,000 385,000 416,280 Gencorp, Inc. 9.500 08/15/13
 259,000 259,000 275,835 General Motors Acceptance Corporation 7.750 01/19/10 1,250,000 1,290,037
 1,283,026 General Motors Corporation 8.250 07/15/23 1,000,000 920,000 900,000 Goodyear Tire & Rubber
 Co. 7.857 08/15/11 1,400,000 1,342,750 1,464,750 GulfMark Offshore, Inc. 7.750 07/15/14 565,000 562,599
 573,475 Hawaiian Telecom Communications 12.500 05/01/15 1,425,000 1,567,979 1,560,375 Inergy LP 8.250
 03/01/16 150,000 150,000 157,500 Insurance Auto Auctions, Inc. 11.000 04/01/13 1,000,000 1,008,740
 1,155,000 Interline Brands, Inc. 8.125 06/15/14 325,000 322,670 335,563 Iron Mountain, Inc. 8.750 07/15/18
 1,065,000 1,099,566 1,144,875 Koppers, Inc. 9.875 10/15/13 477,000 477,000 517,545 Land O'Lakes, Inc.
 9.000 12/15/10 750,000 750,000 795,000 Lazard LLC 7.125 05/15/15 750,000 749,408 790,713 Leucadia
 National Corporation 7.000 08/15/13 650,000 660,695 653,250 Liberty Media Corporation 5.700 05/15/13
 1,000,000 951,610 958,770 M G M Mirage, Inc. 6.000 10/01/09 375,000 378,013 375,469 Mac-Gray
 Corporation 7.625 08/15/15 600,000 600,000 612,000 Majestic Star Casino LLC 9.500 10/15/10 500,000
 500,000 524,375 Manitowoc Company, Inc. 7.125 11/01/13 200,000 200,000 204,000 Markwest Energy
 Operating Co. 6.875 11/01/14 775,000 763,000 751,750 Mediacom Broadband LLC 8.500 10/15/15
 1,000,000 1,021,845 1,022,500 Metaldyne Corporation 11.000 06/15/12 750,000 601,250 710,588 Metaldyne
 Corporation (C) 10.000 11/01/13 510,000 513,403 521,475 N R G Energy, Inc. 7.375 02/01/16 175,000
 175,000 179,813 NTL Cable PLC 9.125 08/15/16 980,000 1,002,682 1,033,900 Nalco Co. 7.750 11/15/11
 500,000 500,000 512,500 Neiman Marcus Group, Inc. 10.375 10/15/15 1,250,000 1,250,000 1,393,750
 Newark Group, Inc. 9.750 03/15/14 850,000 796,863 886,125

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CONSOLIDATED SCHEDULE OF INVESTMENTS(CONT.) MASSMUTUAL CORPORATE INVESTORS March 31, 2007 (Unaudited) Interest Due Principal Corporate Public Securities: (A) (Continued) Rate Date Amount Cost Market Value ----- BONDS, CONTINUED North American Energy Partners 8.750% 12/01/11 \$ 400,000 \$ 400,000 \$ 408,000 Nova Chemicals Corporation (C) 8.502 11/15/13 475,000 475,000 472,625 O E D Corp / Diamond Jo Company Guarantee 8.750 04/15/12 1,000,000 985,960 992,500 Offshore Logistics, Inc. 6.125 06/15/13 450,000 450,000 428,625 P Q Corporation 7.500 02/15/13 1,100,000 1,088,750 1,111,000 Pacific Energy Partners 7.125 06/15/14 500,000 503,623 522,160 Pacific Energy Partners 6.250 09/15/15 150,000 149,316 149,993 Petrohawk Energy Corp. 9.125 07/15/13 1,000,000 997,864 1,065,000 Pinnacle Foods Group 8.250 12/01/13 450,000 450,000 489,398 Pliant Corporation (C) 11.850 06/15/09 882,910 887,668 999,896 Primedia, Inc. 8.000 05/15/13 1,000,000 1,021,962 1,035,000 Quality Distribution LLC 9.000 11/15/10 1,030,000 1,001,575 988,800 Quality Distribution LLC (C) 9.860 01/15/12 325,000 323,375 328,250 Quicksilver Resources, Inc. 7.125 04/01/16 500,000 500,000 492,500 Rent-A-Center, Inc. 7.500 05/01/10 400,000 400,000 403,000 Rock-Tenn Co. 8.200 08/15/11 175,000 176,088 185,500 Service Corp International (C) 7.000 06/15/17 1,000,000 990,030 1,007,500 Sheridan Acquisition Corporation 10.250 08/15/11 375,000 370,000 392,344 Sierra Pacific Resources 6.750 08/15/17 635,000 638,103 648,209 Stanadyne Corporation 10.000 08/15/14 1,500,000 1,500,000 1,545,000 Stratos Global 9.875 02/15/13 575,000 578,580 613,813 Tekni-Plex, Inc. 12.750 06/15/10 1,000,000 960,125 935,000 Tenet Healthcare Corporation 9.875 07/01/14 500,000 488,370 505,000 Tenneco, Inc. 8.625 11/15/14 1,000,000 1,002,500 1,042,500 Tennessee Gas Pipeline Co. 7.000 03/15/27 500,000 523,652 534,035 Texas Industries, Inc. 7.250 07/15/13 70,000 70,000 72,100 Trimas Corporation 9.875 06/15/12 1,065,000 1,006,250 1,063,669 Triton PCS, Inc. 8.500 06/01/13 550,000 550,000 566,500 Unisys Corporation 8.000 10/15/12 190,000 190,000 190,475 United Components, Inc. 9.375 06/15/13 1,080,000 1,081,490 1,117,800 United Rentals, Inc. 7.750 11/15/13 625,000 625,000 642,188 United Rentals, Inc. 7.000 02/15/14 500,000 500,000 498,750 Universal City Florida (C) 10.110 05/01/10 200,000 200,000 206,250 Universal City Florida (C) 8.375 05/01/10 200,000 200,000 206,250 Vertis, Inc. 10.875 06/15/09 1,030,000 1,040,133 1,040,300 Vought Aircraft Industries 8.000 07/15/11 1,000,000 999,548 980,000 Warner Music Group Corporation 7.375 04/15/14 275,000 275,000 261,938 Waste Services, Inc. 9.500 04/15/14 1,100,000 1,123,637 1,152,250 ----- TOTAL BONDS 64,431,400 66,754,115 -----

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CONSOLIDATED SCHEDULE OF INVESTMENTS(CONT.) MASSMUTUAL CORPORATE INVESTORS March 31, 2007 (Unaudited) Shares or Interest Due Principal Corporate Public Securities: (A) (Continued) Rate Date Amount Cost Market Value ----- COMMON STOCK - 1.06% Bally Total Fitness Holdings Corporation (B) 600 \$ 5,520 \$ 366 PepsiAmericas, Inc. 92,145 2,006,365 2,056,676 Supreme Industries, Inc. 115,721 267,323 676,968 ----- TOTAL COMMON STOCK 2,279,208 2,734,010 ----- CONVERTIBLE BONDS - 0.23% Citadel Broadcasting Corporation 1.875% 02/15/11 \$ 700,000 \$ 543,375 \$ 593,250 ----- TOTAL CONVERTIBLE BONDS 543,375 593,250 ----- TOTAL CORPORATE PUBLIC SECURITIES \$ 67,253,983 \$ 70,081,375 ----- Interest Due Principal SHORT-TERM SECURITIES: Rate/Yield* Date Amount Cost Market Value ----- COMMERCIAL PAPER - 2.01% Kraft Foods, Inc. 5.450% 04/02/07 \$ 5,187,000 \$ 5,185,429 \$ 5,185,429 ----- TOTAL SHORT-TERM SECURITIES \$ 5,185,429 \$ 5,185,429 ----- TOTAL INVESTMENTS 106.01% \$269,446,760 \$273,501,014 ===== Other Assets 2.50 6,464,636 Liabilities (8.51) (21,966,127) ----- TOTAL NET ASSETS 100.00% \$257,999,523 ===== (A) In each of the convertible note, warrant, convertible preferred and common stock investments, the issuer has agreed to provide certain registration rights. (B) Non-income producing security. (C) Variable rate security; rate indicated is as of 03/31/07. (D) Defaulted security; interest not accrued. * Effective yield at purchase See Notes to Consolidated Financial Statements.

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONT.) MASSMUTUAL CORPORATE

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INVESTORS March 31, 2007 (Unaudited) Fair Value/ Fair Value/ INDUSTRY CLASSIFICATION: Market Value Market Value ----- AEROSPACE - 2.76% BUILDINGS & REAL ESTATE - 2.26% Consolidated Foundries Holdings \$ 3,019,842 Adorn, Inc. \$ 1,940,517 Esterline Technologies 205,500 K W P I Holdings Corporation 2,506,504 Gencorp, Inc. 275,835 Texas Industries, Inc. 72,100 P A S Holdco LLC 2,637,286 TruStile Doors, Inc. 1,302,306 Vought Aircraft Industries 980,000 ----- 5,821,427 7,118,463 ----- CHEMICAL, PLASTICS & RUBBER - 1.40% AUTOMOBILE - 9.84% BCP Crystal US Holdings Corporation 550,920 American Tire Distributor 1,000,000 Capital Specialty Plastics, Inc. 447,145 Ford Motor Credit Co. 1,536,683 Koppers, Inc. 517,545 Fuel Systems Holding Corporation 2,980,006 Nalco Co. 512,500 General Motors Acceptance Corporation 1,283,026 Nova Chemicals Corporation 472,625 General Motors Corporation 900,000 P Q Corporation 1,111,000 Goodyear Tire & Rubber Co. 1,464,750 ----- Jason, Inc. 1,780,340 3,611,735 LIH Investors, L.P. 1,922,500 ----- Metaldyne Corporation 1,232,063 CONSUMER PRODUCTS - 9.32% Nyloncraft, Inc. 1,521,875 Aero Holdings, Inc. 3,078,484 Ontario Drive & Gear Ltd. 2,798,731 ALH Fin LLC/ALH Fin Corporation 1,446,375 Qualis Automotive LLC 2,025,007 Augusta Sportswear Holding Co. 3,119,144 Tenneco, Inc. 1,042,500 Bravo Sports Holding Corporation 2,411,679 Titan International, Inc. 154,313 G F S I, Inc. 742,500 Transtar Holding Company 2,625,174 K N B Holdings Corporation 2,550,249 United Components, Inc. 1,117,800 Momentum Holding Co. 1,277,369 ----- R A J Manufacturing Holdings LLC 2,541,382 25,384,768 Royal Baths Manufacturing Company 1,275,000 ----- The Tranzonic Companies 3,082,803 BEVERAGE, DRUG & FOOD - 5.73% Walls Industries, Inc. 2,519,211 Aramark Corporation 412,750 Winslow Furniture, Inc. -- Beta Brands Ltd. -- ----- Cains Foods, L.P. 308,863 24,044,196 Dave and Buster's, Inc. 1,530,000 ----- Del Monte Corporation 234,000 CONTAINERS, PACKAGING & GLASS - 5.72% Eagle Pack Pet Foods, Inc. 1,623,437 Flutes, Inc. 1,580,839 Land O'Lakes, Inc. 795,000 Maverick Acquisition Company 1,054,220 Nonni's Food Company 2,513,682 P I I Holding Corporation 2,630,103 PepsiAmericas, Inc. 2,056,676 Packaging Dynamics Corporation of America 1,287,500 Pinnacle Foods Group 489,398 Paradigm Packaging, Inc. 2,484,490 River Ranch Fresh Foods LLC 1,615,001 Pliant Corporation 999,896 Sbarro, Inc. 1,040,000 Pregis Corporation 1,100,000 Specialty Foods Group, Inc. -- Tekni-Plex, Inc. 1,585,000 Vitality Foodservice, Inc. 2,164,198 Vitex Packaging, Inc. 2,040,174 ----- 14,783,005 14,762,222 ----- BROADCASTING & ENTERTAINMENT - 2.63% DISTRIBUTION - 3.93% CCH I Holdings LLC 1,870,000 Affina Group, Inc. 1,025,150 Cablevision Systems Corporation 1,015,000 Duncan Systems, Inc. 1,537,003 Cenveo Corporation 1,078,000 Kele and Associates, Inc. 2,871,312 Citadel Broadcasting Corporation 593,250 Magnatech International, Inc. 1,955,481 Charter Communications Op LLC 260,313 O R S Nasco Holding, Inc. 2,751,672 Liberty Media Corporation 958,770 QualServ Corporation -- Mediacom Broadband LLC 1,022,500 Strategic Equipment & Supply Corporation, Inc. -- ----- 6,797,833 10,140,618 -----

26 CONSOLIDATED SCHEDULE OF INVESTMENTS (CONT.) MASSMUTUAL CORPORATE INVESTORS March 31, 2007 (Unaudited) Fair Value/ Fair Value/ INDUSTRY CLASSIFICATION: (Cont.) Market Value Market Value ----- DIVERSIFIED/CONGLOMERATE, HEALTHCARE, EDUCATION & MANUFACTURING - 7.92% CHILDCARE - 3.65% Activant Solutions, Inc. \$ 147,750 A T I Acquisition Company \$ 2,140,402 AmerCable, Inc. 1,660,953 American Hospice Management Holding LLC 2,557,481 Arrow Tru-Line Holdings, Inc. 2,199,226 F H S Holdings LLC 2,676,779 Bombardier, Inc. 950,000 H C A, Inc. 1,051,781 Coining Corporation of America LLC 2,674,835 MedAssist, Inc. 484,164 Dexter Magnetics Technologies, Inc. 1,429,484 Tenet Healthcare Corporation 505,000 Douglas Dynamics LLC 585,900 ----- Evans Consoles, Inc. -- 9,415,607 Postle Aluminum Company LLC 2,536,437 ----- Radiac Abrasives, Inc. 2,590,199 HOME & OFFICE FURNISHINGS, HOUSEWARES, Trimas Corporation 1,063,669 AND DURABLE CONSUMER PRODUCTS - 6.54% Truck Bodies & Equipment International 4,584,887 Connor Sport Court International, Inc. 1,000,561 ----- H M Holding Company 2,318,903 20,423,340 Home Decor Holding Company 2,426,471 Justrite Manufacturing Acquisition Co. 1,727,199 DIVERSIFIED/CONGLOMERATE, Monessen Holding Corporation 2,425,013 SERVICE - 3.67% Stanton Carpet Holding Co. 2,523,685 Allied Waste NA 1,037,500 U-Line Corporation 2,584,710 CapeSuccess LLC 5,862 Wellborn Forest Holding Co. 1,864,289 Chemed Corporation 1,170,000 -----

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Diversco, Inc./DHI Holdings, Inc. -- 16,870,831 Dwyer Group, Inc. 1,147,074 ----- Fowler Holding, Inc. 2,563,180 LEISURE, AMUSEMENT, Interline Brands, Inc. 335,563 ENTERTAINMENT - 4.01% Iron Mountain, Inc. 1,144,875 A M C Entertainment, Inc. 928,080 Mac-Gray Corporation 612,000 Bally Total Fitness Holding Corporation 109,379 Moss, Inc. 437,659 Keepsake Quilting, Inc. 1,464,744 Service Corporation International 1,007,500 M G M Mirage, Inc. 375,469 ----- Majestic Star Casino LLC 524,375 9,461,213 O E D Corp/Diamond Jo Company Guarantee 992,500 ----- Overton's Holding Company 1,906,193 ELECTRONICS - 2.68% Savage Sports Holding, Inc. 2,316,875 Calpine Corporation 532,500 Tunica-Biloxi Gaming Authority 1,062,500 Connecticut Electric, Inc. 2,617,668 Universal City Florida 412,500 Directed Electronics, Inc. 3,365,790 Warner Music Group Corporation 261,938 Flextronics International Ltd. 396,000 ----- 10,354,553 6,911,958 -----
MACHINERY - 9.76% FARMING & AGRICULTURE - 0.00% Davis-Standard LLC 2,529,428 Protein Genetics, Inc. -- Hawk Precision Components Group, Inc. 2,461,106 ----- Integration Technology Systems, Inc. 1,248,333 FINANCIAL SERVICES - 0.58% Manitowoc Company, Inc. 204,000 Hawker Beechcraft Acquisition Co. 52,250 Maxon Corporation 3,792,140 Highgate Capital LLC -- Morton Industrial Group, Inc. 2,546,765 Lazard LLC 790,713 Navis Global 2,513,797 Leucadia National Corporation 653,250 Safety Speed Cut Manufacturing Company, Inc. 2,433,659 Victory Ventures LLC -- Stanadyne Corporation 1,545,000 ----- Stewart & Stevenson LLC 1,571,250 1,496,213 Supreme Industries, Inc. 676,968 ----- Synventive Equity LLC 33,459 Tronair, Inc. 3,621,214 ----- 25,177,119 -----

27 CONSOLIDATED SCHEDULE OF INVESTMENTS (CONT.) MASSMUTUAL CORPORATE INVESTORS March 31, 2007 (Unaudited) Fair Value/ Fair Value/ INDUSTRY CLASSIFICATION: (Cont.) Market Value Market Value ----- MEDICAL DEVICES/BIOTECH - 2.48% RETAIL STORES - 3.66% Coeur, Inc. \$ 1,439,600 Blockbuster, Inc. \$ 479,750 E X C Acquisition Corporation 154,550 Insurance Auto Auctions, Inc. 1,155,000 MicroGroup, Inc. 3,280,842 Neiman Marcus Group, Inc. 1,393,750 OakRiver Technology, Inc. 1,524,876 Olympic Sales, Inc. 3,802,032 ----- Rent-A-Center, Inc. 403,000 6,399,868 Rental Service Corporation 1,065,000 ----- United Rentals, Inc. 1,140,938 MINING, STEEL, IRON & NON PRECIOUS ----- METALS - 0.85% 9,439,470 Freeport-McMoran Copper & Gold 416,280 ----- Steel Dynamics, Inc. 200,500 TECHNOLOGY - 0.07% Tube City IMS Corporation 650,000 Unisys Corporation 190,475 U S S Holdings, Inc. 933,236 ----- 190,475 2,200,016 ----- TELECOMMUNICATIONS - 3.34% NATURAL RESOURCES - 0.19% Alamosa Delaware, Inc. 770,911 Appleton Papers, Inc. 308,250 Cincinnati Bell, Inc. 1,124,750 Rock-Tenn Co. 185,500 DeltaCom, Inc. 2,960,354 ----- Hawaiian Telecom Communications 1,560,375 493,750 Jordan Telecom Products -- ----- NTL Cable PLC 1,033,900 OIL AND GAS - 2.86% Stratos Global 613,813 Atlas Pipeline Partners 206,000 Triton P C S, Inc. 566,500 Basic Energy Services 219,375 ----- Brigham Exploration Co. 707,000 8,630,603 Chaparral Energy, Inc. 1,507,500 ----- Clayton Williams Energy, Inc. 752,000 TRANSPORTATION - 2.13% GulfMark Offshore, Inc. 573,475 NABCO, Inc. 1,168,750 North American Energy Partners 408,000 Quality Distribution LLC 1,317,050 Offshore Logistics, Inc. 428,625 Tangent Rail Corporation 3,007,482 Quicksilver Resources, Inc. 492,500 ----- Tennessee Gas Pipeline Co. 534,035 5,493,282 Total Equipment & Service, Inc. 1,545,947 ----- UTILITIES - 1.83% 7,374,457 Dynegy Holdings, Inc. 844,450 ----- Edison Mission Energy 57,338 PHARMACEUTICALS - 1.07% Inergy LP 157,500 CorePharma LLC 2,645,242 Markwest Energy Operating Co. 751,750 Enzymatic Therapy, Inc. 106,250 N R G Energy, Inc. 179,813 ----- Pacific Energy Partners 672,153 2,751,492 Petrohawk Energy Corporation 1,065,000 ----- Sierra Pacific Resources 648,209 PUBLISHING/PRINTING - 1.54% Tenaska Alabama Partners LP 344,884 Idearc, Inc. 617,250 ----- Newark Group, Inc. 886,125 4,721,097 Primedia, Inc. 1,035,000 ----- Sheridan Acquisition Corporation 392,344 WASTE MANAGEMENT / POLLUTION - 1.58% Vertis, Inc. 1,040,300 Terra Renewal Services, Inc. 2,922,705 ----- Waste Services, Inc. 1,152,250 3,971,019 ----- 4,074,955 ----- Total Corporate Restricted and Public Securities - 104.00% \$ 268,315,585 ===== See Notes to Consolidated Financial Statements.

28 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MASSMUTUAL CORPORATE

INVESTORS (Unaudited) 1. HISTORY MassMutual Corporate Investors (the "Trust") commenced operations in 1971 as a Delaware corporation. Pursuant to an Agreement and Plan of Reorganization dated November 14, 1985, approved by shareholders, the Trust was reorganized as a Massachusetts business trust under the laws of the Commonwealth of Massachusetts, effective November 28, 1985. The Trust is a 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 maintain a portfolio of securities providing a fixed yield while providing an opportunity for capital gains by investing primarily in a portfolio of privately placed below investment grade, long term corporate debt obligations with equity features, such as warrants, conversions rights, or other equity features and, occasionally, preferred stocks, purchased directly from their issuers. On January 27, 1998, the Board of Trustees authorized the formation of a wholly-owned subsidiary ("MMCI Subsidiary Trust") for the purpose of holding certain investments. The results of MMCI Subsidiary Trust have been included in the accompanying consolidated financial statements. Footnote 2.D below discusses the Federal tax consequences of the MMCI Subsidiary Trust. 2. SIGNIFICANT ACCOUNTING POLICIES The following is a summary of significant accounting policies followed consistently by the Trust in the preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America. A. VALUATION OF INVESTMENTS: Valuation of a security in the Trust's portfolio is made on the basis of market price whenever market quotations are readily available and all securities of the same class held by the Trust can be readily sold in such market. Nearly all securities which are acquired by the Trust directly from the issuers and shares into which such securities may be converted or which may be purchased on the exercise of warrants attached to such securities will be subject to legal or contractual delays in, or restrictions on, resale and will therefore be "restricted securities." Generally speaking, as contrasted with open-market sales of unrestricted securities which may be effected immediately if the market is adequate, absent an exemption from registration, restricted securities can be sold only in a public offering for which a registration statement is in effect under the Securities Act of 1933, as amended (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 the acquisition thereof and at least quarterly thereafter. The Trustees have established guidelines to aid in the valuation of each security. Generally, restricted securities are initially valued at cost or less at the time of acquisition by the Trust. Values greater or less than cost are used thereafter for restricted securities in appropriate circumstances. Among the factors ordinarily considered are the existence of restrictions upon the sale of the security by the Trust; an estimate of the existence and extent of a market for the security; the extent of any discount at which the security was acquired; the estimated period of time during which the security will not be freely marketable; the estimated expenses of registering or otherwise qualifying the security for public sale; estimated underwriting commissions if underwriting would be required to effect a sale; in the case of a convertible security, whether or not it would trade on the basis of its stock equivalent; in the case of a debt obligation which would trade independently of any equity equivalent, the current yields on comparable securities; the estimated amount of the floating supply of such securities available for purchase; the proportion of the issue held by the Trust; changes in the financial condition and prospects of the issuer; the existence of merger proposals or tender offers affecting the issuer; and any other factors affecting fair value, all in accordance with the Investment Company Act of 1940, 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 Trustee's meet at least once each quarter to approve the value of the Trust's portfolio securities as of the close of business on the last business day of the preceding quarter. This valuation requires the approval of a majority of the Trustees of the Trust, including a majority of the Trustees who are not interested persons of the

Trust or of Babson Capital. In making valuations, the Trustees will consider reports by

----- 29 NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS MASSMUTUAL CORPORATE INVESTORS (CONTINUED) 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 \$181,395,519 (70.31% of net assets) as of March 31,
2007 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, 2007, subject
to discount where appropriate, and are approved by the Trustees. Short-term securities with more than sixty
days to maturity are valued at fair value and short-term securities having a maturity of sixty days or less are
valued at amortized cost which approximates market value. 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 to the Trustees either to designate the net realized long-term gains as undistributed and pay the
federal capital gains taxes thereon or to 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 MMCI Subsidiary Trust (described in Footnote 1, above) was formed in order to allow investment
in such securities without adversely affecting the Trust's status as a regulated investment company. The
MMCI Subsidiary Trust is not taxed as a regulated investment company. Accordingly, prior to the Trust
receiving any distributions from the MMCI Subsidiary Trust, all of the MMCI Subsidiary Trust's taxable
income and realized gains, including non-qualified income and realized gains, is subject to taxation at
prevailing corporate tax rates. For the three months ended March 31, 2007, the MMCI Subsidiary Trust has
accrued income tax expense on net realized gains of \$8,531 and reduced deferred income tax expenses on net
unrealized gains by \$219,474. In June 2006, the Financial Accounting Standards Board ("FASB") issued
FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes - an interpretation of FASB
statement 109 ("FIN 48"). FIN 48 supplements FASB 109 by prescribing a recognition threshold and
measurement attribute for the financial statement recognition and measurement of a tax position taken or
expected to be taken in a tax return. The adoption of FIN 48 requires financial statements to be adjusted to
reflect only those tax positions that are more likely than not to be sustained as of the adoption date. As of
March 31, 2007, the Trust has properly recorded all tax liabilities. E. DISTRIBUTIONS TO
SHAREHOLDERS: The Trust records distributions to shareholders from net investment income and net

realized gains, if any, on the exdividend date. The Trust's net investment income dividend is declared four times per year, in April, July, October, and -----

30 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MASSMUTUAL CORPORATE INVESTORS (CONTINUED) 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 agreements, 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, 2007, there were no credit balances used to reduce custodian fees. 3. INVESTMENT SERVICES CONTRACT A. NEW INVESTMENT SERVICES CONTRACT: An Investment Services Contract between the Trust and Babson Capital, effective October 1, 2005 (the "New Contract"), provides for a quarterly investment advisory fee of 0.3125% of the net asset value of the Trust each quarter, which is approximately equal to 1.25% annually, with no performance adjustment. The New Contract provides that for its first eighteen months, the investment advisory fee cannot exceed the amount that Babson Capital would have been paid under the prior Investment Services Contract with the Trust dated July 1, 1988 (the "Prior Contract"). B. SERVICES: Under the New Contract with the Trust, Babson Capital agrees to use its best efforts to present to the Trust a continuing and suitable investment program consistent with the investment objectives and policies of the Trust. Babson Capital represents the Trust in any negotiations with issuers, investment banking firms, securities brokers or dealers and other institutions or investors relating to the Trust's investments. Under the New Contract, Babson Capital 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. C. PRIOR INVESTMENT SERVICES CONTRACT ADVISORY FEE: Under the Prior Contract, the Trust paid Babson Capital a quarterly base rate (the "Base Fee Rate") of 5/16 of 1% of the value of the Trust's net assets as of the end of each fiscal quarter, approximately equivalent to 1.25% of the net asset value of the Trust on an annual basis, plus or minus a quarterly performance adjustment (the "Performance Adjustment") of up to 1/16 of 1% of net asset value, approximately equivalent to plus or minus 0.25% on an annual basis. The Performance Adjustment was based on the Trust's performance as compared to a benchmark rate of return (the "Target Rate") equal to 5.0 percentage points plus an unweighted, arithmetic average of the rates of return of the Standard & Poor's Industrials Composite (formerly called the Standard & Poor's Industrial Price Index) and the Lehman Brothers Intermediate U.S. Credit Index (formerly called the Lehman Brothers Corporate Bond Index) over a rolling three-year period (the "Measurement Period") comprising the twelve quarters ending on the last day of each quarter (the "Valuation Date"). The Standard & Poor's Industrials Composite is not readily available to the public. Babson Capital obtained the information for this index from Factset Research Systems. The three-year annualized return for the Standard & Poor's Industrials Composite for the period ended March 31, 2007 was 9.73%. Under the prior contract, the Performance Adjustment was equal to 5% of the difference between the Trust's actual rate of return over the Measurement Period and the Target Rate. If the Trust's actual rate of return exceeded the Target Rate, the Base Fee Rate increased by an amount equal to the Performance Adjustment; if the Trust's actual rate of return was less than the Target Rate, the Base Fee Rate was reduced by the Performance Adjustment. Under the Prior Contract, the investment advisory fee payable by the Trust was equal to the Base Fee Rate (as adjusted by the Performance Adjustment) times the net asset value of the Trust as of the Valuation Date. Additionally, Babson Capital agreed to waive, for each quarter beginning July 1, 2004, the amount, if any, by which the investment advisory fee calculated in the manner described in the Prior Contract exceeded the sum of (i) 5/16 of 1% times the ending net asset value for that quarter plus or minus (ii) the Performance Adjustment applied against the average quarter end net assets for the Trust for the twelve-quarter period ending on such quarter. 4. SENIOR SECURED INDEBTEDNESS A. NOTE PAYABLE: MassMutual holds the Trust's \$20,000,000 Senior Fixed Rate Convertible Note (the "Note") issued by the Trust in 1995. The Note, as amended, is due November 15, 2007 and accrues at 7.39% per annum. MassMutual, at its option, can convert the principal amount of the Note into common shares. The dollar amount of principal would be converted into an equivalent dollar amount of common shares based upon the average price of the common shares for ten business days prior to the notice of conversion. For the three

months ended March 31, 2007, the Trust incurred total interest expense on the Note of \$369,500. The Trust may redeem the Note, in whole or in part, at the principal amount proposed to be redeemed together with the accrued and unpaid interest thereon through the redemption

----- 31 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MASSMUTUAL CORPORATE INVESTORS (CONTINUED) date plus the Make Whole Premium. The Make Whole Premium equals the excess of (i) the present value of the scheduled payments of principal and interest which the Trust would have paid but for the proposed redemption, discounted at the rate of interest of U.S. Treasury obligations whose maturity approximates that of the Note plus 0.50% over (ii) the principal of the Note proposed to be redeemed. B. REVOLVING CREDIT AGREEMENT: The Trust entered into a Revolving Credit Agreement (the "Revolver") with The Royal Bank of Scotland PLC as of May 31, 2005 (the "Agent Bank"), in the principal amount of \$25,000,000, maturing May 31, 2008. The Revolver bears interest payable in arrears at a per annum rate that varies depending upon whether the Trust requests a Base Rate Loan or LIBOR Rate Loan. Interest on Base Rate Loans equals the higher of: (i) the annual "Base Rate" as set periodically by the Agent Bank and (ii) the most recent Federal Funds Effective Rate plus .50% per annum. Per annum interest on LIBOR Rate Loans equals .37% plus the London Inter Bank Offered Rate ("LIBOR") rate, divided by 1 minus the LIBOR Reserve Rate. The Trust also incurs expense on the undrawn portion of the total Revolver at a rate of .15% per annum. As of March 31, 2007, there was no outstanding amount against the Revolver. For the three months ended March 31, 2007, the Trust incurred total expense on the Revolver of \$9,247 related to the undrawn portion. 5. PURCHASES AND SALES OF INVESTMENTS FOR THE THREE MONTHS ENDED 3/31/2007 COST OF PROCEEDS FROM INVESTMENTS SALES OR ACQUIRED MATURITIES ----- Corporate restricted securities \$17,668,491 \$ 6,450,984 Corporate public securities 8,369,767 21,852,683 The aggregate cost of investments is substantially the same for financial reporting and federal income tax purposes as of March 31, 2007. The net unrealized appreciation of investments for financial reporting and federal tax purposes as of March 31, 2007 is \$4,054,254 and consists of \$27,948,172 appreciation and \$23,893,918 depreciation. Net unrealized appreciation of investments on the Statement of Assets and Liabilities reflects the balance of a deferred tax accrual of \$431,544 on net unrealized gains on the MMCI Subsidiary Trust. 6. NEW ACCOUNTING PRONOUNCEMENTS In September 2006, FASB issued Statement of Financial Accounting Standards No. 157, Fair Value Measurements ("FAS 157"). FAS 157 establishes a single authoritative definition of fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. FAS 157 applies to fair value measurements already required or permitted by existing standards. The change to current generally accepted accounting principles from the application of FAS 157 relates to the definition of fair value, the methods used to measure fair value, and the expanded disclosures about fair value measurements. Management of the Trust does not believe the adoption of FAS 157 will materially impact the financial statement amounts, however, additional disclosures may be required about the inputs used to develop the measurements and the effect of certain of the measurements on changes in net assets for the period. FAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years.

----- 32 TRUSTEES OFFICERS William J. Barrett Roger W. Crandall Chairman Donald E. Benson* Clifford M. Noreen President Michael H. Brown James M. Roy Vice President & Chief Financial Officer Roger W. Crandall Rodney J. Dillman Vice President & Donald Glickman Secretary Martin T. Hart* Jill A. Fields Vice President Robert E. Joyal Michael P. Hermsen Vice President Corine T. Norgaard* Mary Wilson Kibbe Vice President Michael L. Klofas Vice President Richard E. Spencer, II Vice President * MEMBER OF THE AUDIT COMMITTEE Ronald S. Talala Treasurer COMMITTEE John T. Davitt, Jr. Comptroller Melissa M. LaGrant Chief Compliance Officer

----- DIVIDEND REINVESTMENT AND SHARE PURCHASE PLAN MassMutual Corporate Investors offers a Dividend Reinvestment and Share Purchase Plan. The Plan provides a simple way for shareholders to add to their holdings in the Trust through the receipt of dividend shares issued by the Trust or through the reinvestment of cash dividends in Trust shares purchased in the open market. A shareholder may join the Plan by filling out and mailing an authorization card to Shareholder Financial Services, Inc., the Transfer Agent. Participating shareholders will

continue to participate until they notify the Transfer Agent, in writing, of their desire to terminate participation. Unless a shareholder elects to participate in the Plan, he or she will, in effect, have elected to receive dividends and distributions in cash. Participating shareholders may also make additional contributions to the Plan from their own funds. Such contributions may be made by personal check or other means in an amount not less than \$10 nor more than \$5,000 per quarter. Cash contributions must be received by the Transfer Agent at least five days (but no more than 30 days) before the payment date of a dividend or distributions. Whenever the Trust declares a dividend payable in cash or shares, the Transfer Agent, acting on behalf of each participating shareholder, will take the dividend in shares only if the net asset value is lower than the market price plus an estimated brokerage commission as of the close of business on the valuation day. The valuation day is the last day preceding the day of dividend payment. When the dividend is to be taken in shares, the number of shares to be received is determined by dividing the cash dividend by the net asset value as of the close of business on the valuation date or, if greater than net asset value, 95% of the closing share price. If the net asset value of the shares is higher than the market value plus an estimated commission, the Transfer Agent, consistent with obtaining the best price and execution, will buy shares on the open market at current prices promptly after the dividend payment date. The reinvestment of dividends does not, in any way, relieve participating shareholders of any federal, state or local tax. For federal income tax purposes, the amount reportable in respect of a dividend received in newly-issued shares of the Trust will be the fair market value of the shares received, which will be reportable as ordinary income and/or capital gains. As compensation for its services, the Transfer Agent receives a fee of 5% of any dividend and cash contribution (in no event in excess of \$2.50 per distribution per shareholder.) Any questions regarding the Plan should be addressed to Shareholder Financial Services, Inc., Agent for MassMutual Corporate Investors' Dividend Reinvestment and Share Purchase Plan, P.O. Box 173673, Denver CO 80217-3673. [LOGO]
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