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TRAVELERS CORP LOAN FUND INC

Form N-CSRS

June 07, 2004

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-8985

Citigroup Investments Corporate Loan Fund Inc.  
(Exact name of registrant as specified in charter)

125 Broad Street, New York, NY 10004  
(Address of principal executive offices) (Zip code)

Robert I. Frenkel, Esq.  
Smith Barney Fund Management LLC  
300 First Stamford Place  
Stamford, CT 06902  
(Name and address of agent for service)

Registrant's telephone number, including area code: (800) 451-2010

Date of fiscal year end: September 30  
Date of reporting period: March 31, 2004

ITEM 1. REPORT TO STOCKHOLDERS.

The Semi-Annual Report to Stockholders is filed herewith.

Citigroup  
Investments  
Corporate  
Loan Fund Inc.

Semi-Annual Report March 31, 2004

Ticker Symbol: TLI

[GRAPHIC]

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## LETTER FROM THE CHAIRMAN

[PHOTO]

R. JAY GERKEN, CFA

Chairman, President and  
Chief Executive Officer

Dear Shareholder,

We are pleased to announce that, during the six months ended March 31, 2004, the Citigroup Investments Corporate Loan Fund Inc. returned 8.35%, based on its New York Stock Exchange ("NYSE") market price and 5.33% based on its net asset value ("NAV")/i/ per share. The fund outperformed its Lipper loan participation closed end funds category average, which returned 5.26% over the same time frame./ii/ Please note that Lipper performance returns are based on each fund's NAV.

During this six-month period, the fund distributed dividends to shareholders totaling \$0.3475 per share. The performance table shows the fund's 30-day SEC yield as well as its six-month total return based on its NAV and market price as of March 31, 2004. Past performance is no guarantee of future results. The fund's yields will vary.

## FUND PERFORMANCE AS OF MARCH 31, 2004

Price Per Share	30-Day SEC Yield	Six-Month Total Return
\$14.32 (NAV)	4.97%	5.33%
\$15.28 (NYSE)	4.66%	8.35%

All figures represent past performance and are not a guarantee of future results. The fund's yields will vary. Total returns are based on changes in NAV or market price, respectively. Total returns assume the reinvestment of all dividends and/or capital gains distributions, if any, in additional shares. The "SEC yield" is a return figure often quoted by bond and other fixed income mutual funds. This quotation is based on the most recent 30-day (or one month) period covered by the fund's filings with the SEC. The yield figure reflects the dividends and interest earned during the period after deduction of the fund's expenses for

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the period. These yields are as of March 31, 2004 and are subject to change.

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Citigroup Investments Corporate Loan Fund Inc.

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### Loan Market Overview

During the period, the U.S. economy's quarterly pace of growth continued to advance at a more robust rate than it did earlier last year./iii/ Although recent employment data showed that the unemployment rate rose to 5.7% in March, versus 5.6% in February, the U.S. economy added 308,000 non-farm payroll jobs in March./iv/ The result marked the largest increase in jobs since April 2000./v/ The strength of the economy contributed to corporate earnings, which in turn, favorably supported the credit climate for many corporate loan issuers. Default rates in the corporate loan market continued to drop, and demand for these issues remains strong. Although the prices of corporate loan instruments have reached loftier levels amid this demand, the portfolio manager continued to uncover opportunities with competitive yields, maintaining a focus on investment in high-quality issues in a wide array of sectors for diversification./vi/

### Information About Your Fund

In recent months several issues in the mutual fund industry have come under the scrutiny of federal and state regulators. The fund's Adviser and some of its affiliates have received requests for information from various government regulators regarding market timing, late trading, fees and other mutual fund issues in connection with various investigations. The fund has been informed that the Adviser and its affiliates are responding to those information requests, but are not in a position to predict the outcome of these requests and investigations.

### Looking for Additional Information?

The fund is traded under the symbol "TLI" and its closing market price is available in most newspapers under the NYSE listings. The daily NAV is available online under symbol XTLIX. Barron's and The Wall Street Journal's Monday editions carry closed-end fund tables that will provide additional information. In addition, the fund issues a quarterly press release that can be found on most major financial web sites as well as [www.citigroupassetmanagement.com](http://www.citigroupassetmanagement.com).

In a continuing effort to provide information concerning the fund, shareholders may call 1-888-735-6507, Monday through Friday from 8:00 a.m. to 6:00 p.m. Eastern Time, for the fund's current net asset value, market price and other information regarding the fund's portfolio holdings and allocations.

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Thank you for your investment in the Citigroup Investments Corporate Loan Fund Inc. We appreciate that you have entrusted us to manage your money and value our relationship with you.

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Sincerely,

/s/ R Jay Gerken

R. Jay Gerken, CFA  
Chairman, President and Chief Executive Officer

April 16, 2004

The information provided is not intended to be a forecast of future events, a guarantee of future results or investment advice. Views expressed may differ from those of the firm as a whole.

Portfolio holdings and breakdowns are as of March 31, 2004 and are subject to change. Please refer to pages 5 through 11 for a list and percentage breakdown of the fund's holdings.

- /i/ NAV is a price that reflects the value of the fund's underlying portfolio plus other assets, less the fund's liabilities. However, the price at which an investor may buy or sell shares of the fund is at the fund's market price as determined by supply of and demand for the fund's common shares, which may be more or less than the fund's NAV.
- /ii/ Lipper, Inc. is a major independent mutual-fund tracking organization. Returns are based on the 12-month period ended March 31, 2004, calculated among the 38 funds in the fund's Lipper category including the reinvestment of dividends and capital gains, if any.
- /iii/ Source: Based upon gross domestic product data from the Bureau of Economic Analysis (January 30, 2004). Gross domestic product is a market value of goods and services produced by labor and property in a given country.
- /iv/ Source: U.S. Department of Labor (April 1, 2004).
- /v/ Source: Lehman Brothers.
- /vi/ Diversification does not assure against market loss.

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Citigroup Investments Corporate Loan Fund Inc.

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Take Advantage of the Fund's Dividend Reinvestment Plan!

As an investor in the Fund, you can participate in its Dividend Reinvestment Plan ("Plan") which is a convenient, simple and efficient way to reinvest your dividends and capital gains, if any, in additional shares of the Fund. Below is a summary of how the Plan works.

### Plan Summary

If you participate in the Dividend Reinvestment Plan, your dividends and capital gains distributions will be reinvested automatically in additional shares of the Fund.

The number of common stock shares in the Fund you will receive in lieu of a cash dividend is determined in the following manner. If the market price of the common stock is equal to or higher than the net asset value ("NAV") per share as of the determination date (defined as the fourth New York Stock Exchange trading day preceding the payment for the dividend or distribution), plan participants will be issued new shares of common stock at a price per share equal to the greater of: (a) the NAV per share on the valuation date or (b) 95%

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of the market price per share on the valuation date.

If the market price is less than the NAV per share as of the determination date, PFPC Inc. ("Plan Agent") will buy common stock for your account in the open market. If the Plan Agent begins to purchase additional shares in the open market and the market price of the shares subsequently exceeds the NAV per share, before the purchases are completed, the Plan Agent will cease making open-market purchases and have the Fund issue the remaining dividend or distribution in shares at a price per share equal to the greater of either the NAV per share on the valuation date or 95% of the market price at which the Fund issues the remaining shares.

A more complete description of the current Plan appears in the section of this report beginning on page 23. To find out more detailed information about the Plan and about how you can participate, please call the Plan Agent at 1-800-331-1710.

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Schedule of Investments (unaudited)

March 31, 2004

FACE AMOUNT	SECURITY	LOAN TYPE	STATED MATURITY	VALUE (a)
-----				
SENIOR COLLATERALIZED LOANS -- 93.9%				
Aerospace/ Defense -- 0.7%				
\$ 71,120	Communications & Power Industries Holding Corp.	Term	1/29/10	\$ 72,187
460,466	DeCrane Aircraft Holdings, Inc.	Term B	9/30/05	443,198
745,575	DeCrane Aircraft Holdings, Inc.	Term D	12/17/06	717,616
598,500	TransDigm Holding Corp.	Term	5/15/06	604,672
				-----
				1,837,673
-----				
Automotive -- 2.4%				
1,333,333	CSK Auto, Inc.	Term B	1/16/10	1,350,000
966,948	Dayco Products, LLC	Term B	9/11/08	972,992
1,670,250	Dura Operating Corp.	Term C	12/31/08	1,684,081
812,211	Gentek, Inc.	Senior Secured	11/10/08	818,099
500,000	Keystone Automotive Industries, Inc.	Term	11/5/09	508,125
712,442	Plastech, Inc.	Term B	2/17/11	723,352
				-----
				6,056,649
-----				
Banking & Finance -- 0.3%				
829,282	Crescent Real Estate Equities LP	Term	3/2/06	838,093
-----				
Building Materials -- 5.9%				
206,916	Atrium Cos., Inc.	Term	12/10/08	209,891
1,670,932	Hanley-Wood, Inc.	Term B	9/21/07	1,620,804
1,287,777	Magnatrax Corp. (b)	Term B	11/15/05	676,083
3,676,386	Masonite International Corp.	Term C	8/31/08	3,704,878
1,745,430	Masonite International Corp.	Term C2	6/20/09	1,763,975
964,286	National Waterworks, Inc.	Tranche B	11/22/09	977,143
967,767	Newkirk Master LP	Term B	12/31/04	987,727

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1,987,892	Panolam Industries International, Inc.	Term B	11/24/06	1,987,892
391,685	Panolam Industries International, Inc.	Tranche C	10/20/10	389,727
284,710	PGT Industries, Inc.	Term A	1/29/10	287,557
142,355	PGT Industries, Inc.	Term B	1/29/10	143,601
2,227,388	Trussway Holdings Inc.	Term B	12/31/06	1,804,184
				14,553,462
Chemicals -- 4.2%				
1,125,000	Alon USA, Inc.	Term	11/21/08	1,130,625
2,420,021	Georgia Gulf Corp.	Term D	12/2/10	2,451,784
1,069,730	Huntsman International LLC	Term B	6/30/07	1,083,168
1,069,866	Huntsman International LLC	Term C	6/30/08	1,082,570
489,596	Huntsman LLC	Term A	3/31/07	474,296
481,972	Huntsman LLC	Term B	3/31/07	466,509
498,709	Ionics, Inc.	Term	2/13/11	504,787
139,416	Kraton Polymers	Term	12/17/10	141,885

See Notes to Financial Statements.

Citigroup Investments Corporate Loan Fund Inc.

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Schedule of Investments (unaudited) (continued)

March 31, 2004

FACE AMOUNT	SECURITY	LOAN TYPE	STATED MATURITY	VALUE (a)
Chemicals -- 4.2% (continued)				
\$1,635,455	Noveon, Inc.	Term B	12/31/09	\$ 1,653,853
995,000	Rockwood Specialties Group Inc.	Term C	7/23/10	1,003,084
398,000	Westlake Chemical Corp.	Term B	7/23/10	403,473
				10,396,034
Conglomerates -- 1.4%				
404,397	Atkins Nutritionals, Inc.	1st Lien	10/29/09	405,913
137,100	Atkins Nutritionals, Inc.	2nd Lien	10/29/09	138,128
2,895,750	SPX Corp.	Term B1	9/30/09	2,935,868
				3,479,909
Construction Machinery -- 0.3%				
624,695	D&E Communications, Inc.	Term B	3/5/12	631,723
Consumer Cyclical Services -- 0.5%				
524,478	Alderwoods Group, Inc.	Term B	9/17/08	532,181
805,882	Pike Electric Inc.	Term	4/18/10	813,312
				1,345,493
Consumer Products -- 2.3%				
166,667	American Achievement Corp.	Term B	3/31/11	166,667
610,908	Armkel, LLC	Term B	3/28/09	618,654

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1,665,667	Holmes Products Corp.	Term B	2/5/07	1,670,177
947,776	Jostens, Inc.	Term B	7/29/10	959,149
388,614	NBTY, Inc.	Term C	7/25/09	392,257
139,723	Simmons Co.	Term B	12/19/11	139,839
684,535	Simmons Co.	Tranche B	12/19/11	694,019
992,500	Tempur-Pedic International Inc.	Term B	8/18/09	1,001,184
				5,641,946
-----				
Electric -- 4.6%				
695,752	Anteon Corp.	Term	12/3/10	703,870
600,000	Aquila, Inc.	Facility	7/30/04	600,750
1,990,000	Calpine Corp.	1st Lien	7/16/07	2,010,149
1,500,000	Calpine Generating Co. LLC	1st Lien	11/16/04	1,501,758
1,000,000	Centerpoint Energy Houston Electric, LLC	Term	11/12/05	1,148,750
137,876	Cogentrix Delaware Holdings, Inc.	Term B	2/25/09	138,680
318,959	NRG Energy, Inc.	Term B	5/23/10	329,027
569,661	NRG Energy, Inc.	Term B	5/23/10	587,641
3,190,639	Orion Power Midwest, LP	Term	10/25/05	3,174,686
1,168,983	Orion Power New York, LP	Term	10/25/05	1,163,138
				11,358,449
-----				
Entertainment -- 2.8%				
961,838	Detroit Red Wings, Inc.	Term A	8/30/06	963,040
1,277,522	New Jersey Basketball LLC	Term A	12/31/08	1,280,716

See Notes to Financial Statements.

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Schedule of Investments (unaudited) (continued)

March 31, 2004

FACE AMOUNT	SECURITY	LOAN TYPE	STATED MATURITY	VALUE (a)
-----				
Entertainment -- 2.8% (continued)				
\$1,850,484	Regal Cinemas, Inc.	Term D	6/30/09	\$ 1,878,704
2,746,411	Six Flags Theme Parks, Inc.	Term B	6/30/09	2,776,163
				6,898,623
-----				
Environmental -- 1.7%				
3,168,000	Casella Waste Systems, Inc.	Term B	5/11/07	3,212,748
1,000,000	Waste Connections, Inc.	Term	10/22/10	1,006,563
				4,219,311
-----				
Food -- 4.2%				
1,094,400	AGCO Corp.	Term	12/12/08	1,106,712
862,097	American Seafoods Group LLC	Term B	3/31/09	866,048
3,126,372	Dean Foods Co.	Term B	7/15/08	3,178,154
775,586	Del Monte Corp.	Term B	12/20/10	789,401
657,602	Fleming Cos., Inc.	Term B	6/18/08	655,136

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347,955	Jack In The Box, Inc.	Term B	1/8/11	353,609
502,734	Merisant Co.	Term B	1/11/10	508,075
997,500	Michael Foods, Inc.	Term	11/21/10	1,013,709
982,500	National Dairy Holdings L.P.	Term B	4/30/09	984,752
277,305	NSC Operating Co.	Term B	5/27/07	277,998
447,500	NSC Operating Co.	2nd Lien	5/25/09	442,466
348,250	Reddy Ice Group Inc.	Term	8/17/09	352,095
				10,528,155
-----				
Gaming -- 5.5%				
2,828,571	Alliance Gaming Corp.	Term B	9/4/09	2,861,278
2,045,401	Ameristar Casinos, Inc.	Term B1	12/20/06	2,059,144
1,500,000	Greektown Casino, LLC	Term D	9/30/04	1,516,875
1,587,809	Isle of Capri Casinos BlackHawk, LLC	Term C	11/15/06	1,604,680
1,011,164	Penn National Gaming, Inc.	Term D	9/1/07	1,024,752
4,562,565	Scientific Games Corp.	Term C	12/31/09	4,631,003
				13,697,732
-----				
Healthcare -- 6.4%				
264,395	aaiPharma, Inc.	Term	12/1/09	255,692
400,000	AMN Healthcare Inc.	Term	10/2/08	407,000
985,000	Community Health Systems Inc.	Tranche B	7/16/10	1,003,099
1,990,000	Community Health Systems Inc.	Term	1/16/11	2,019,850
776,879	Conmed Corp.	Term C	12/15/09	786,590
647,500	Connecticare, Inc.	Term	10/31/09	655,189
1,983,838	Davita, Inc.	Term B	3/31/09	2,007,397
2,925,000	DJ Orthopedics LLC	Term	12/30/08	2,964,306
1,000,000	EMPI Corp.	Term	11/24/09	1,013,125
1,311,404	Fisher Scientific International, Inc.	Tranche C	3/31/10	1,323,151
1,339,875	Fresenius Medical Care Holdings, Inc.	Term C	2/21/10	1,361,020
696,500	Hanger Orthopedic Group, Inc.	Term B	9/30/09	706,077

See Notes to Financial Statements.

Citigroup Investments Corporate Loan Fund Inc.

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Schedule of Investments (unaudited) (continued)

March 31, 2004

FACE AMOUNT	SECURITY	LOAN TYPE	STATED MATURITY	VALUE (a)
-----				
Healthcare -- 6.4% (continued)				
\$ 623,583	Kinetic Concepts, Inc.	Term B1	8/11/10	\$ 632,255
863,183	Rotech Healthcare Inc.	Term B	3/31/08	875,591
				16,010,342
-----				
Home Construction -- 0.6%				
1,419,724	Landsource Communities Development, LLC	Term B	1/9/10	1,443,682
-----				
Industrial - Other -- 6.9%				



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214,249	Buffets, Inc.	Term	6/28/09	215,588
1,571,162	Buffets, Inc.	Term	6/30/09	1,577,446
694,171	Buhrmann U.S., Inc.	Tranche B1	12/31/10	704,237
276,448	Compression Polymers Corp.	1st Lien	3/6/10	277,139
1,230,822	Flowserve Corp.	Term C	6/30/09	1,245,745
340,000	Goodman Global Holdings, Inc.	Tranche B	11/21/09	344,463
2,012,614	IESI Corp.	Term	9/30/10	2,045,319
597,004	Jarden Corp.	Term B	4/24/08	601,730
213,533	Metokote Corp.	2nd Lien	2/9/11	215,401
893,250	Moran Transportation	Term	8/8/09	901,624
3,666,399	Mueller Group, Inc.	Term E	5/31/08	3,687,023
828,726	Multiplan, Inc.	Term	3/19/09	839,085
759,231	Norcross Safety Products LLC	Term	3/20/09	766,349
687,211	Roper Industries Inc.	Term	12/19/08	696,446
867,886	TriMas Corp.	Term B	12/31/09	873,490
495,000	Unifrax Corp.	Term	9/4/09	501,033
2,333,913	Western Industries Inc.	Term B	6/23/06	1,575,391
				17,067,509
-----				
Insurance -- 2.5%				
1,965,000	Hilb, Rogal and Hamilton Co.	Term B	6/30/07	1,994,475
2,779,000	Oxford Health Plans, Inc.	Term	4/25/09	2,794,054
1,293,500	USI Holdings Corp.	Term B	8/11/08	1,312,094
				6,100,623
-----				
Lodging -- 0.1%				
272,318	Green Valley Ranch Gaming, LLC	Term B	12/31/10	276,743
-----				
Media/Cable -- 7.2%				
426,722	Atlantic Broadband Finance LLC	Term B	8/6/11	432,189
934,924	Block Communications Inc.	Term B	11/15/09	943,689
2,500,000	Century Cable Holdings LLC	Term	12/31/09	2,371,250
1,955,000	Charter Communications VIII	Term B	2/2/08	1,947,495
1,960,000	Charter Communications Operating LLC	Term B	3/18/08	1,951,950
4,900,000	Charter Communications Operating LLC	Term B	3/18/08	4,884,687
3,990,000	Insight Midwest LLC	Term B	12/31/09	4,018,261
1,387,187	Rainbow Media Group	Term C	3/31/09	1,405,394
				17,954,915
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See Notes to Financial Statements.

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Schedule of Investments (unaudited) (continued)

March 31, 2004

FACE AMOUNT	SECURITY	LOAN TYPE	STATED MATURITY	VALUE (a)
-----				
Media/Non-Cable -- 12.7%				
\$4,118,389	American Media Operation Inc.	Term C	4/1/07	\$ 4,186,602

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946,754	American Media Operation Inc.	Term C1	4/1/07	958,588
2,778,017	Canwest Media Inc.	Term D2	11/15/08	2,812,743
990,000	Cumulus Media Inc.	Term D	3/28/10	1,004,108
2,229,547	Dex Media East LLC	Term B	5/4/09	2,265,976
3,625,555	Dex Media West LLC	Term B	3/10/10	3,689,974
842,246	Emmis Communications Corp.	Term B	1/5/10	854,002
1,995,000	Gray Television, Inc.	Term	6/6/11	2,018,691
1,224,394	Hollinger International Publishing Inc.	Term B	9/30/09	1,232,047
284,977	ILC Industries, Inc.	2nd Lien	2/5/11	289,964
157,895	Lamar Media Corp.	Term A	6/30/09	158,454
1,222,222	Lamar Media Corp.	Term C	6/30/09	1,240,556
417,208	MediaNews Group, Inc.	Term B	12/12/10	422,423
1,396,500	PanAmSat Corp.	Term B1	10/31/10	1,413,738
138,301	R.H. Donnelley, Inc.	Term B2	6/30/10	140,643
2,058,980	The Reader's Digest Association, Inc.	Term B	5/20/08	2,076,191
284,928	SGL Carbon LLC	Term	2/13/10	285,996
1,432,826	Sun Media Corp.	Term B	2/7/09	1,447,154
2,428,414	Susquehanna Media Co.	Term B	3/24/12	2,458,011
2,600,000	Vivendi Universal Entertainment LLP	Term B	6/30/08	2,621,531
				31,577,392
<hr style="border-top: 1px dashed black;"/>				
Metals -- 0.6%				
455,027	Compass Minerals Group, Inc.	Term B	11/28/09	461,473
984,407	The Techs	Term	1/9/10	986,868
				1,448,341
<hr style="border-top: 1px dashed black;"/>				
Other - Energy -- 1.0%				
827,254	Energys, Inc.	1st Lien	3/17/11	840,180
413,627	Energys, Inc.	2nd Lien	3/17/11	420,521
1,287,000	Peabody Energy Corp.	Term B	3/21/10	1,294,373
				2,555,074
<hr style="border-top: 1px dashed black;"/>				
Other - Financial Institutions -- 0.5%				
543,689	Bridge Information Systems, Inc. (b)	Multi-Draw	5/29/05	224,272
1,008,320	Bridge Information Systems, Inc. (b)	Term B	5/29/05	415,932
552,896	Global Cash Access, L.L.C.	Term	3/10/10	561,535
				1,201,739
<hr style="border-top: 1px dashed black;"/>				
Packaging -- 3.7%				
142,241	Baker Tanks Inc.	Term	2/4/11	143,219
684,638	DR Pepper Bottling Co. of Texas	Term B	12/22/10	697,047
3,980,000	Graphic Packaging Corp.	Term B	8/9/10	4,039,286
1,480,026	Kerr Group, Inc.	Term	8/13/10	1,492,359

See Notes to Financial Statements.

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Citigroup Investments Corporate Loan Fund Inc.

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Schedule of Investments (unaudited) (continued)

March 31, 2004

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FACE AMOUNT	SECURITY	LOAN TYPE	STATED MATURITY	VALUE (a)
-----				
Packaging -- 3.7% (continued)				
\$1,764,069	Printpack Holdings Inc.	Term C	3/31/09	\$ 1,775,647
120,411	Smurfit-Stone Container Corp.	Term C	6/30/09	121,088
929,046	Stone Container Corp.	Term B	6/30/09	935,143
				-----
				9,203,789
-----				
Pharmaceuticals -- 0.4%				
869,695	Alpharma Corp.	Term B	10/5/08	874,452
-----				
Railroads -- 0.3%				
767,156	RailAmerica, Inc.	Term	10/14/07	776,650
-----				
Refining -- 1.7%				
1,035,562	Dresser Inc.	Term C	4/10/09	1,053,362
3,076,750	Tesoro Petroleum Corp.	Term	4/14/08	3,175,646
				-----
				4,229,008
-----				
Retailers -- 1.5%				
426,784	Alimentation Couche-Tard, Inc.	Term	12/17/10	432,030
1,962,951	General Nutrition Centers Inc.	Tranche B	12/5/09	1,977,673
1,200,000	Kmart Corp.	Term B	5/2/06	1,206,750
				-----
				3,616,453
-----				
Technology -- 1.6%				
3,599,200	Amphenol Corp.	Term B	5/6/10	3,637,442
297,750	Fairchild Semiconductor Corp.	Term	6/19/08	302,588
				-----
				3,940,030
-----				
Telecommunications -- 7.0%				
2,090,000	Centennial Cellular Operating Co.	Term B	2/9/11	2,088,042
3,477,525	Crown Castle Operating Co.	Term B	9/15/07	3,537,022
3,327,753	FairPoint Communications, Inc.	Term C	3/1/07	3,344,392
3,950,100	Nextel Finance Co.	Term E	12/15/10	3,995,107
2,300,000	Qwest Corp.	Term A	6/9/07	2,383,614
446,148	SBA Senior Finance, Inc.	Term	1/29/09	446,985
1,656,667	Western Wireless Corp.	Term B	9/30/08	1,664,302
				-----
				17,459,464
-----				
Tobacco -- 0.8%				
1,892,000	Commonwealth Brands, Inc.	Term	8/28/07	1,919,198
-----				
Transportation Services -- 1.3%				
2,358,388	TravelCenters of America, Inc.	Term	11/14/08	2,388,852
907,102	Yellow Roadway Corp.	Term	7/11/08	913,055
				-----
				3,301,907
-----				
Utility - Other -- 0.3%				
820,800	NUI Corp.	Term	11/10/04	831,060
				-----
TOTAL SENIOR COLLATERALIZED LOANS (Cost -- \$233,146,106)				233,271,623
-----				

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See Notes to Financial Statements.

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Schedule of Investments (unaudited) (continued)

March 31, 2004

SHARES	SECURITY	VALUE
-----		
COMMON STOCK (c) -- 0.3%		
17,356 Gentek, Inc. (Cost -- \$607,460)		\$ 728,952
-----		
WARRANTS	SECURITY	VALUE
-----		
WARRANTS (c) -- 0.0%		
36 Gentek, Inc., Expires 10/31/06		180
19 Gentek, Inc., Expires 10/31/08		149
9 Gentek, Inc., Expires 10/31/10		92
TOTAL WARRANTS (Cost -- \$0)		421
-----		
FACE AMOUNT	SECURITY	VALUE
-----		
SHORT-TERM INVESTMENTS -- 5.8%		
Commercial Paper -- 5.8%		
\$ 2,427,000 Falcon Asset Securitization, 1.050% due 4/1/04		2,427,000
12,000,000 UBS Financial Services Inc., 1.060% due 4/1/04		12,000,000
TOTAL SHORT-TERM INVESTMENTS (Cost -- \$14,427,000)		14,427,000
-----		
TOTAL INVESTMENTS -- 100.0% (Cost -- \$248,180,566**)		\$248,427,996
-----		

(a)Market value is determined using current market prices which are supplied weekly by an independent third party pricing service.

(b)Security is currently in default.

(c)Non-income producing security.

\*\*Aggregate cost for Federal income tax purposes is substantially the same.

Abbreviations used in this schedule:

-----

2nd Lien -- Subordinate Loan to 1st Lien  
 Facility -- Facility Loan  
 Multi-Draw -- Multi-Draw Term Loan  
 Term -- Term Loan

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Certain term loans have different letter designations which may generally indicate differences in maturities, pricing, and other terms and conditions. A letter designation could also result from the consolidation of two or more previously issued term loans.

See Notes to Financial Statements.

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 Citigroup Investments Corporate Loan Fund Inc.

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Statement of Assets and Liabilities (unaudited)

March 31, 2004

ASSETS:

Investments, at value (Cost -- \$248,180,566)	\$248,427,996
Interest receivable	925,724
Receivable for securities sold	2,513,386

Total Assets	251,867,106
--------------	-------------

LIABILITIES:

Bank loan (Note 4)	23,000,000
Bank overdraft	2,305,480
Management fee payable	200,600
Dividends payable to Auction Rate Cumulative Preferred Stockholders	78,250
Interest payable	27,626
Accrued expenses	238,612

Total Liabilities	25,850,568
-------------------	------------

Series A and B Auction Rate Cumulative Preferred Stock (1,700 shares authorized and issued at \$25,000 per share for each Series) (Note 5)	85,000,000
--	------------

Total Net Assets	\$141,016,538
------------------	---------------

NET ASSETS:

Par value of capital shares	\$ 9,847
Capital paid in excess of par value	145,858,712
Overdistributed net investment income	(172,098)
Accumulated net realized loss from investment transactions	(4,927,353)
Net unrealized appreciation of investments	247,430

Total Net Assets	
(Equivalent to \$14.32 per share on 9,847,383 common shares of \$0.001 par value outstanding; 150,000,000 common shares authorized)	\$141,016,538

See Notes to Financial Statements.

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Statement of Operations (unaudited)

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For the Six Months Ended March 31, 2004

INVESTMENT INCOME:	
Interest	\$ 5,175,381
-----	
EXPENSES:	
Management fee (Note 2)	1,174,762
Auction participation fees (Note 5)	107,996
Audit and legal	59,086
Shareholder communications	48,860
Interest expense (Note 4)	44,625
Directors' fees	28,584
Transfer agency services	23,452
Commitment fees (Note 4)	18,801
Excise tax	15,725
Stock exchange listing fees	10,440
Custody	8,440
Rating agency fees	8,225
Auction agency fees	8,000
Other	7,857
-----	
Total Expenses	1,564,853
-----	
Net Investment Income	3,610,528
-----	
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS (NOTE 3):	
Realized Loss From Investment Transactions (excluding short-term investments):	
Proceeds from sales	115,540,623
Cost of securities sold	114,960,686
-----	
Net Realized Gain	579,937
-----	
Change in Net Unrealized Appreciation of Investments:	
Beginning of period	(3,344,555)
End of period	247,430
-----	
Increase in Net Unrealized Appreciation	3,591,985
-----	
Net Gain on Investments	4,171,922
-----	
Dividends Paid to Auction Rate Cumulative Preferred Stockholders From Net Investment Income	(501,895)
-----	
Increase in Net Assets From Operations	\$ 7,280,555
-----	

See Notes to Financial Statements.

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Citigroup Investments Corporate Loan Fund Inc.

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Statements of Changes in Net Assets

For the Six Months Ended March 31, 2004 (unaudited)  
and the Year Ended September 30, 2003

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	2004	2003
-----		
OPERATIONS:		
Net investment income	\$ 3,610,528	\$ 7,372,861
Net realized gain (loss)	579,937	(4,913,856)
Increase in net unrealized appreciation	3,591,985	12,780,168
Dividends paid to Auction Rate Cumulative Preferred Stockholders from net investment income	(501,895)	(1,201,497)
-----		
Increase in Net Assets From Operations	7,280,555	14,037,676
-----		
DISTRIBUTIONS PAID TO COMMON STOCK SHAREHOLDERS FROM:		
Net investment income	(3,412,620)	(7,376,019)
-----		
Decrease in Net Assets From Distributions Paid to Common Stock Shareholders	(3,412,620)	(7,376,019)
-----		
FUND SHARE TRANSACTIONS (Note 6):		
Net asset value of shares issued for reinvestment of dividends	672,922	255,910
-----		
Increase in Net Assets From Fund Share Transactions	672,922	255,910
-----		
Increase in Net Assets	4,540,857	6,917,567
NET ASSETS:		
Beginning of period	136,475,681	129,558,114
-----		
End of period*	\$141,016,538	\$136,475,681
-----		
* Includes (overdistributed) undistributed net investment income of:	\$ (172,098)	\$131,889
-----		

See Notes to Financial Statements.

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Notes to Financial Statements (unaudited)

1. Significant Accounting Policies

The Citigroup Investments Corporate Loan Fund Inc. ("Fund"), a Maryland corporation, is registered under the Investment Company Act of 1940, as amended, as a non-diversified, closed-end management investment company.

The following are significant accounting policies consistently followed by the Fund and are in conformity with generally accepted accounting principles ("GAAP"): (a) security transactions are accounted for on trade date; (b) U.S. government agencies and obligations are valued at the mean between the bid and asked prices; (c) securities, excluding senior collateralized loans, for which market quotations are not available will be valued in good faith at fair value by or under the direction of the Board of Directors. In fair valuing a loan, Smith Barney Fund Management LLC ("SBFM"), an indirect wholly-owned subsidiary

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of Citigroup Inc. ("Citigroup"), the Fund's investment adviser, with the assistance of the Travelers Asset Management International Company LLC ("TAMIC"), another indirect wholly-owned subsidiary of Citigroup, the sub-adviser, will consider among other factors: (1) the creditworthiness of the borrower and any party interpositioned between the Fund and the borrower; (2) the current interest rate, period until next interest rate reset and maturity date of the collateralized senior loan; (3) recent market prices for similar loans, if any; and (4) recent prices in the market for instruments with similar quality, rate, period until next interest rate reset, maturity, terms and conditions; SBFM may also consider prices or quotations, if any, provided by banks, dealers or pricing services which may represent the prices at which secondary market transactions in the collateralized senior loans held by the Fund have or could have occurred; (d) securities maturing within 60 days are valued at cost plus accreted discount, or minus amortized premium, which approximates value; (e) gains or losses on the sale of securities are calculated by using the specific identification method; (f) interest income, adjusted for amortization of premium and accretion of discount, is recorded on an accrual basis; (g) the Fund intends to comply with the applicable provisions of the Internal Revenue Code of 1986, as amended, pertaining to regulated investment companies to make distributions of taxable income sufficient to relieve it from substantially all Federal income and excise taxes; (h) in accordance with Statement of Position 93-2 Determination, Disclosure, and Financial Statement Presentation of Income, Capital Gain, and Return of Capital Distributions by Investment Companies, book and tax basis differences relating to shareholder distributions and other permanent book and tax differences are reclassified to paid-in capital. In addition, the character of income and gains to be distributed is determined in accordance with income tax regulations which may differ from accounting principles generally accepted in the United States of America; (i) dividends to shareholders are recorded monthly by the Fund on the ex-dividend date for the shareholders of Common

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Citigroup Investments Corporate Loan Fund Inc.

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Notes to Financial Statements (unaudited) (continued)

Stock. The holders of the Auction Rate Cumulative Preferred Stock shall be entitled to receive dividends in accordance with an auction that will normally be held monthly and out of funds legally available to shareholders; (j) the Fund distributes capital gains, if any, at least annually; (k) the net asset value of the Fund's Common Stock is determined by dividing the value of the net assets available to Common Stock by the total number of shares of common stock outstanding. For the purpose of determining the net asset value per share of the common stock, the value of the Fund's net assets shall be deemed to equal the value of the Fund's assets less (1) the Fund's liabilities, (2) the aggregate liquidation value (i.e. \$25,000 per outstanding share) of the Auction Rate Cumulative Preferred Stock and (3) accumulated and unpaid dividends on the outstanding Auction Rate Cumulative Preferred Stock; and (l) estimates and assumptions are required to be made regarding assets, liabilities and changes in net assets resulting from operations when financial statements are prepared. Changes in the economic environment, financial markets and any other parameters used in determining these estimates could cause actual results to differ.

Facility fees and upfront fees, incurred by the Fund on loan agreements, are amortized over the remaining term of the loan.

2. Management Agreement and Transactions with Affiliated Persons



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SBFM acts as investment adviser to the Fund. The Fund pays SBFM a management fee for its investment advisory and administration services calculated at an annual rate of 1.05% of the Fund's average daily net assets. For purposes of calculating the advisory fee, the liquidation value of any preferred stock of the Fund is not deducted in determining the Fund's average daily net assets. This fee is calculated daily and paid monthly.

SBFM has entered into a sub-investment advisory agreement with TAMIC. Pursuant to a sub-advisory agreement, TAMIC is responsible for certain investment decisions related to the Fund. SBFM pays TAMIC a fee of 0.50% of the value of the Fund's average daily net assets for the services TAMIC provides as sub-adviser. For purposes of calculating the sub-advisory fee, the liquidation value of any preferred stock of the Fund is not deducted in determining the Fund's average daily net assets.

All officers and one Director of the Fund are employees of Citigroup or its affiliates.

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Notes to Financial Statements (unaudited) (continued)

### 3. Investments

During the six months ended March 31, 2004, the aggregate cost of purchases and proceeds from sales of investments (including maturities of long-term investments, but excluding short-term investments) were as follows:

-----  
Purchases \$125,283,025  
-----  
Sales 115,540,623  
-----

At March 31, 2004, the aggregate gross unrealized appreciation and depreciation of investments for Federal income tax purposes were substantially as follows:

-----  
Gross unrealized appreciation \$ 2,772,264  
Gross unrealized depreciation (2,524,834)  
-----  
Net unrealized appreciation \$ 247,430  
-----

### 4. Bank Loan

The Fund has a three-year revolving credit agreement with National Australia Bank Ltd., which allows the Fund to borrow up to an aggregate amount of \$25 million. This agreement terminates on May 31, 2005. The Fund pays a facility fee quarterly at 0.15% annum for the three-year revolving credit agreement. The

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interest on the loan is calculated at a variable rate based on the LIBOR, Fed Funds or Prime Rates plus any applicable margin. At March 31, 2004 the Fund has \$23 million outstanding per this credit agreement at a rate of 1.575% per annum. Interest expense related to the loan for the period ended March 31, 2004 was \$23,144.

### 5. Auction Rate Cumulative Preferred Stock

As of March 31, 2004, the Fund has 3,400 outstanding shares of Auction Rate Cumulative Preferred Stock ("ARCPS").

The ARCPS' dividends are cumulative at a rate determined at an auction and the dividend period will typically be 28 days. The dividend rates ranged from 1.09% to 1.25% during the six months ended March 31, 2004. At March 31, 2004, the current dividend rates were as follows:

	Series A	Series B
Current Dividend Rates	1.09%	1.12%

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Citigroup Investments Corporate Loan Fund Inc.

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### Notes to Financial Statements (unaudited) (continued)

The ARCPS are redeemable under certain conditions by the Fund, or subject to mandatory redemption (if the Fund is in default of certain asset coverage requirements) at a redemption price equal to the liquidation preference, which is the sum of \$25,000 per share plus accumulated and unpaid dividends.

The Fund is required to maintain certain asset coverages with respect to the ARCPS. If the Fund fails to maintain these asset coverages and does not cure any such failure within the required time period, the Fund is required to redeem a requisite number of the ARCPS in order to meet the applicable requirement. Additionally, failure to meet the foregoing asset coverage requirements would restrict the Fund's ability to pay dividends to common shareholders.

Citigroup Global Markets Inc. ("CGM"), another indirect wholly-owned subsidiary of Citigroup, currently acts as a broker/dealer in connection with the auction of ARCPS. After each auction, the auction agent will pay to each broker/dealer, from monies the Fund provides, a participation fee at the annual rate of 0.25% of the purchase price of the ARCPS that the broker/dealer places at the auction. For the six months ended March 31, 2004, CGM earned \$107,996 as a participating broker/dealer.

### 6. Capital Shares

Capital stock transactions were as follows:

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	Six Months Ended		Year Ended	
	March 31, 2004		September 30, 2003	
	Shares	Amount	Shares	Amount
Shares issued on reinvestment	47,209	\$672,922	18,507	\$255,910

7. Additional Information

The Fund has received the following information from Citigroup Asset Management ("CAM"), the Citigroup business unit which includes the Fund's Investment Manager and other investment advisory companies, all of which are indirect, wholly-owned subsidiaries of Citigroup. CAM is reviewing its entry, through an affiliate, into the transfer agent business in the period 1997-1999. As CAM currently understands the facts, at the time CAM decided to enter the transfer agent business, CAM sub-contracted for a period of five years certain of the transfer agency services to a third party and also concluded a revenue guarantee agreement with this sub-contractor providing that the sub-contractor would guarantee certain benefits to CAM or its affiliates (the "Revenue Guarantee Agreement"). In connection with the subsequent purchase of the sub-contractor's business by an affiliate of the current sub-transfer agent (PFPC

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Notes to Financial Statements (unaudited) (continued)

Inc.) used by CAM on many of the funds it manages, this Revenue Guarantee Agreement was amended eliminating those benefits in exchange for arrangements that included a one-time payment from the sub-contractor.

The Boards of CAM-managed funds (the "Boards") were not informed of the Revenue Guarantee Agreement with the sub-contractor at the time the Boards considered and approved the transfer agent arrangements. Nor were the Boards informed of the subsequent amendment to the Revenue Guarantee Agreement when that occurred.

CAM has begun to take corrective actions. CAM will pay to the applicable funds approximately \$17 million (plus interest) that CAM and its affiliates received from the Revenue Guarantee Agreement and its amendment. CAM also plans an independent review to verify that the transfer agency fees charged by CAM were fairly priced as compared to competitive alternatives. CAM is instituting new procedures and making changes designed to ensure no similar arrangements are entered into in the future.

CAM has briefed the SEC, the New York State Attorney General and other regulators with respect to this matter, as well as the U.S. Attorney who is investigating the matter. CAM is cooperating with governmental authorities on this matter, the ultimate outcome of which is not yet determinable.

The Fund's transfer agent is PFPC Inc., which is not affiliated with CAM.

Citigroup Investments Corporate Loan Fund Inc.

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### Financial Highlights

For a share of capital stock outstanding throughout each year ended September 30, unless otherwise noted:

	2004/(1)/	2003	2002	2001	2000	1999/(2)/
Net Asset Value, Beginning of Period	\$13.93	\$13.24	\$14.15	\$15.14	\$15.19	\$15.00
Income (Loss) From Operations:						
Net investment income	0.37	0.75	0.90	1.22	1.40	0.97
Net realized and unrealized gain (loss)	0.42	0.81	(0.79)	(0.93)	0.02	0.09
Dividends Paid to Auction Rate Cumulative Preferred Stockholders from net investment income	(0.05)	(0.12)	(0.09)	--	--	--
Total Income From Operations	0.74	1.44	0.02	0.29	1.42	1.06
Offering Costs on Issuance of Common Stock	--	--	--	--	--	(0.02)
Underwriting Commissions and Expenses for the Issuance of Auction Rate Cumulative Preferred Stock	--	--	(0.12)	--	--	--
Distributions Paid to Common Stock Shareholders From:						
Net investment income	(0.35)	(0.75)	(0.81)	(1.26)	(1.44)	(0.85)
Net realized gains	--	--	--	(0.02)	(0.03)	--
Total Distributions	(0.35)	(0.75)	(0.81)	(1.28)	(1.47)	(0.85)
Net Asset Value, End of Period	\$14.32	\$13.93	\$13.24	\$14.15	\$15.14	\$15.19
Total Return, Based on Market Value	8.35% <sup>++</sup>	29.61%	(1.67)%	(4.33)%	13.35%	1.68% <sup>++</sup>
Total Return, Based on Net Asset Value	5.33% <sup>++</sup>	11.64%	(0.30)%	2.44%	10.55%	7.45% <sup>++</sup>
Net Assets, End of Period (millions)	\$141	\$136	\$130	\$138	\$148	\$149
Ratios to Average Net Assets/(3)/:						
Expenses	2.26% <sup>+</sup>	2.40%	2.63%	4.57%	4.74%	3.55% <sup>+</sup>
Net investment income	5.20 <sup>+</sup>	5.62	6.48	8.31	9.20	7.48 <sup>+</sup>

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Portfolio Turnover Rate	51%	55%	57%	23%	59%	53%
Market Value, End of Period	\$15.28	\$14.45	\$11.83	\$12.82	\$14.6875	\$14.375

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Financial Highlights (continued)

	2004/(1)/	2003	2002	2001	2000	1999/(2)/
Auction Rate Cumulative Preferred Stock/(4)/:						
Total Amount Outstanding (000s)	\$85,000	\$85,000	\$85,000	--	--	--
Asset Coverage Per Share	66,475	65,140	63,105	--	--	--
Involuntary Liquidating Preference Per Share/(5)/	25,000	25,000	25,000	--	--	--
Average Market Value Per Share/(5)/	25,000	25,000	25,000	--	--	--
National Australia Bank Ltd. Loan						
Total Amount Outstanding (000s)	23,000	--	--	--	--	--
Asset Coverage (000s)	164,017	--	--	--	--	--

(1)For the six months ended March 31, 2004 (unaudited).

(2)For the period November 20, 1998 (commencement of operations) to September 30, 1999.

(3)Calculated on the basis of average net assets of common shareholders. Ratios do not reflect the effect of dividend payments to preferred shareholders.

(4)On March 14, 2002, the Fund issued 3,400 shares of Auction Rate Cumulative Preferred Stock at \$25,000 a share.

(5)Excludes accrued or accumulated dividends.

++ Total return is not annualized, as it may not be representative of the total return for the year.

+ Annualized.

Citigroup Investments Corporate Loan Fund Inc.

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Additional Information (unaudited)

Result of Annual Meeting of Shareholders

The Annual Meeting of Shareholders of Citigroup Investments Corporate Loan Fund Inc. was held on January 21, 2004, for the purpose of considering and voting upon the election of three Directors. The following table provides information concerning the matter voted upon at the Meeting:

Election of Directors\*

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Nominee	Common Shares	Preferred Shares Series A and B	Total
-----			
Allan J. Bloostein			
Votes For	7,947,282	3,060	7,950,882
Votes Withheld	172,837	2	172,839
R. Jay Gerken			
Votes For	7,966,185	3,060	7,969,245
Votes Withheld	153,934	2	153,936
Paul Hardin			
Votes For	N/A	3,060	3,060
Votes Withheld	N/A	2	2

-----  
 \* The following Directors, representing the balance of the Board of Directors, continue to serve as Directors: Dwight B. Crane, Paolo M. Cucchi, Robert A. Frankel, William R. Hutchinson and George M. Pavia.

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Dividend Reinvestment Plan (unaudited)

Pursuant to the Plan, shareholders whose Common Stock is registered in their own names will be deemed to have elected to have all distributions reinvested automatically in additional Common Stock of the Fund by PFPC Inc. ("Plan Agent"), as agent under the Plan, unless such shareholders elect to receive distributions in cash. Shareholders who elect to receive distributions in cash will receive all distributions in cash paid by check in U.S. dollars mailed directly to the shareholder by PFPC Inc., as dividend paying agent. In the case of shareholders such as banks, brokers or nominees, which hold Common Stock for others who are the beneficial owners, the Plan Agent will administer the Plan on the basis of the number of shares of Common Stock certified from time to time by the record shareholders as representing the total amount registered in the record shareholder's name and held for the account of beneficial owners that have not elected to receive distributions in cash. Investors that own shares of Common Stock registered in the name of a bank, broker or other nominee should consult with such nominee as to participation in the Plan through such nominee, and may be required to have their shares registered in their own names in order to participate in the Plan.

The Plan Agent serves as agent for the shareholders in administering the Plan. Unless the Board of Directors of the Fund declares a dividend or capital gains distribution payable only in cash, non-participants in the Plan will receive cash and participants in the Plan will receive shares of Common Stock of the Fund, to be issued by the Fund or purchased by the Plan Agent in the open market as outlined below. Whenever the market price per share of Common Stock is equal to or exceeds the net asset value per share as of the determination date (defined as the fourth New York Stock Exchange trading day preceding the payment date for the dividend or distribution), participants will be issued new shares of Common Stock at a price per share equal to the greater of: (a) the net asset value per share on the valuation date or (b) 95% of the market price

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per share on the valuation date. Except as noted below, the valuation date generally will be the dividend or distribution payment date. If net asset value exceeds the market price of the Fund's shares of Common Stock as of the determination date, the Plan Agent will, as agent for the participants, buy shares in the open market, on the New York Stock Exchange or elsewhere, for the participants' accounts as soon as practicable commencing on the trading day following the determination date and generally terminating no later than 30 days after the dividend or distribution payment date. If, before the Plan Agent has completed its purchases, the market price exceeds the net asset value of a share of Common Stock, the average per share purchase price paid by the Plan Agent may exceed the net asset value of the Fund's shares, resulting in the acquisition of fewer shares than if the dividend or capital gains distribution had been paid in shares of Common Stock issued by the Fund. Because of the foregoing difficulty with respect to open-market purchases, the Plan provides that if the

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Citigroup Investments Corporate Loan Fund Inc.

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### Dividend Reinvestment Plan (unaudited) (continued)

Plan Agent is unable to invest the full dividend amount in open-market purchases during the permissible purchase period or if the market discount shifts to a market premium during such purchase period, the Plan Agent will cease making open-market purchases and will receive the uninvested portion of the dividend amount in newly issued shares of Common Stock (in which case the valuation date will be the date such shares are issued) at a price per share equal to the greater of (a) the net asset value per share on the valuation date or (b) 95% of the market price per share on the valuation date.

A shareholder may elect to withdraw from the Plan at any time upon written notice to the Plan Agent or by calling the Plan Agent at 1-800-331-1710. When a participant withdraws from the Plan, or upon termination of the Plan as provided below, certificates for whole shares of Common Stock credited to his or her account under the Plan will be issued and a cash payment will be made for any fractional shares credited to such account. An election to withdraw from the Plan will, until such election is changed, be deemed to be an election by a shareholder to take all subsequent dividends and distributions in cash. Elections will be effective immediately if notice is received by the Plan Agent not less than ten days prior to any dividend or distribution record date; otherwise such termination will be effective after the investment of the then current dividend or distribution. If a withdrawing shareholder requests the Plan Agent to sell the shareholder's shares upon withdrawal from participation in the Plan, the withdrawing shareholder will be required to pay a \$5.00 fee plus brokerage commissions.

The Plan Agent maintains all shareholder accounts in the Plan and furnishes written confirmation of all transactions in the accounts, including information needed by shareholders for personal and tax records. Shares in the account of each Plan participant will be held by the Plan Agent in noncertificated form in the name of the participant, and each shareholder's proxy will include those shares of Common Stock purchased pursuant to the Plan.

There is no charge to participants for reinvesting dividends or capital gains distributions. The Plan Agent's fee for the handling of reinvestment of dividends and distributions will be paid by the Fund. There will be no brokerage charges with respect to shares of Common Stock issued directly by the Fund as a result of dividends or capital gains distributions payable either in shares or in cash. However, each participant will pay a pro rata share of

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brokerage commissions incurred with respect to the Plan Agent's open market purchases in connection with the reinvestment of dividends or capital gains distributions.

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### Dividend Reinvestment Plan (unaudited) (continued)

The automatic reinvestment of dividends and distributions will not relieve participants of any U.S. federal income tax that may be payable on such dividends or distributions.

Experience under the Plan may indicate that changes thereto may be desirable. Accordingly, the Fund reserves the right to amend or terminate the Plan as applied to any dividend or distribution paid: (i) subsequent to notice of the change sent to all participants at least 30 days before the record date for such dividend or distribution or (ii) otherwise in accordance with the terms of the Plan. The Plan also may be amended or terminated by the Plan Agent, with the Board of Directors' prior written consent, on at least 30 days' prior written notice to all participants. All correspondence concerning the Plan should be directed by mail to PFPC Inc., P.O. Box 43027, Providence, RI 02940-3027 or by telephone at 1-800-331-1710.

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Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that from time to time the Fund may purchase shares of its Common Stock in the open market.

A description of the policies and procedures that the fund uses to determine how to vote proxies relating to portfolio securities is available without charge, upon request, by telephoning the fund (toll-free) at 1-800-451-2010 and by visiting the SEC's web site at [www.sec.gov](http://www.sec.gov).

This report is intended only for the shareholders of Citigroup Investments Corporate Loan Fund Inc. This is not a prospectus, circular or representation intended for use in the purchase or sale of shares of the Fund or any securities mentioned in this report.

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Citigroup Investments Corporate Loan Fund Inc.

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### Directors

Allan J. Bloostein  
Dwight B. Crane  
Paolo M. Cucchi  
Robert A. Frankel  
R. Jay Gerken, CFA  
Chairman  
Paul Hardin  
William R. Hutchinson  
George M. Pavia



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Officers

R. Jay Gerken, CFA  
President and Chief Executive Officer

Andrew B. Shoup  
Senior Vice President and Chief Administrative Officer

Richard L. Peteka  
Chief Financial Officer and Treasurer

Glenn N. Marchak  
Vice President and  
Investment Officer

Kaprel Ozsolak  
Controller

Robert I. Frenkel  
Secretary and  
Chief Legal Officer

[LOGO]

TLI  
Listed  
NYSE  
THE NEW YORK STOCK EXCHANGE

Investment Adviser  
Smith Barney Fund Management LLC  
399 Park Avenue  
New York, New York 10022

Custodian  
State Street Bank and Trust Company  
225 Franklin Street  
Boston, Massachusetts 02110

Transfer Agent  
PFPC Inc.  
P.O. Box 43027  
Providence, RI 02940-3027

Citigroup Investments Corporate Loan Fund Inc.  
125 Broad Street  
10th Floor, MF-2  
New York, New York 10004

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ITEM 2. CODE OF ETHICS.

Not Applicable.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

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Not Applicable.

### ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable.

### ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable.

### ITEM 6. [RESERVED]

### ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

The Board of Directors of the Fund has delegated the authority to develop policies and procedures relating to proxy voting to the Manager. The Manager is part of Citigroup Asset Management ("CAM"), a group of investment adviser affiliates of Citigroup, Inc. ("Citigroup"). Along with the other investment advisers that comprise CAM, the Manager has adopted a set of proxy voting policies and procedures (the "Policies") to ensure that the Manager votes proxies relating to equity securities in the best interest of clients.

In voting proxies, the Manager is guided by general fiduciary principles and seeks to act prudently and solely in the best interest of clients. The Manager attempts to consider all factors that could affect the value of the investment and will vote proxies in the manner that it believes will be consistent with efforts to maximize shareholder values. The Manager may utilize an external service provider to provide it with information and/or a recommendation with regard to proxy votes. However, such recommendations do not relieve the Manager of its responsibility for the proxy vote.

In the case of a proxy issue for which there is a stated position in the Policies, CAM generally votes in accordance with such stated position. In the case of a proxy issue for which there is a list of factors set forth in the Policies that CAM considers in voting on such issue, CAM votes on a case-by-case basis in accordance with the general principles set forth above and considering such enumerated factors. In the case of a proxy issue for which there is no stated position or list of factors that CAM considers in voting on such issue, CAM votes on a case-by-case basis in accordance with the general principles set forth above. Issues for which there is a stated position set forth in the Policies or for which there is a list of factors set forth in the Policies that CAM considers in voting on such issues fall into a variety of categories, including election of directors, ratification of auditors, proxy and tender offer defenses, capital structure issues, executive and director

compensation, mergers and corporate restructurings, and social and environmental issues. The stated position on an issue set forth in the Policies can always be superseded, subject to the duty to act solely in the best interest of the beneficial owners of accounts, by the investment management professionals responsible for the account whose shares are being voted. Issues applicable to a particular industry may cause CAM to abandon a policy that would have otherwise applied to issuers generally. As a result of the independent investment advisory services provided by distinct CAM business units, there may be occasions when different business units or different portfolio

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managers within the same business unit vote differently on the same issue.

In furtherance of the Manager's goal to vote proxies in the best interest of clients, the Manager follows procedures designed to identify and address material conflicts that may arise between the Manager's interests and those of its clients before voting proxies on behalf of such clients. To seek to identify conflicts of interest, CAM periodically notifies CAM employees (including employees of the Manager) in writing that they are under an obligation (i) to be aware of the potential for conflicts of interest with respect to voting proxies on behalf of client accounts both as a result of their personal relationships and due to special circumstances that may arise during the conduct of CAM's and the Manager's business, and (ii) to bring conflicts of interest of which they become aware to the attention of compliance personnel. The Manager also maintains and considers a list of significant relationships that could present a conflict of interest for the Manager in voting proxies. The Manager is also sensitive to the fact that a significant, publicized relationship between an issuer and a non-CAM affiliate might appear to the public to influence the manner in which the Manager decides to vote a proxy with respect to such issuer. Absent special circumstances or a significant, publicized non-CAM affiliate relationship that CAM or the Manager for prudential reasons treats as a potential conflict of interest because such relationship might appear to the public to influence the manner in which the Manager decides to vote a proxy, the Manager generally takes the position that non-CAM relationships between Citigroup and an issuer (e.g. investment banking or banking) do not present a conflict of interest for the Manager in voting proxies with respect to such issuer. Such position is based on the fact that the Manager is operated as an independent business unit from other Citigroup business units as well as on the existence of information barriers between the Manager and certain other Citigroup business units.

CAM maintains a Proxy Voting Committee, of which the Manager personnel are members, to review and address conflicts of interest brought to its attention by compliance personnel. A proxy issue that will be voted in accordance with a stated position on an issue or in accordance with the recommendation of an independent third party is not brought to the attention of the Proxy Voting Committee for a conflict of interest review because the Manager's position is that to the extent a conflict of interest issue exists, it is resolved by voting in accordance with a pre-determined policy or in accordance with the recommendation of an independent third party. With respect to a conflict of interest brought to its attention, the

Proxy Voting Committee first determines whether such conflict of interest is material. A conflict of interest is considered material to the extent that it is determined that such conflict is likely to influence, or appear to influence, the Manager's decision-making in voting proxies. If it is determined by the Proxy Voting Committee that a conflict of interest is not material, the Manager may vote proxies notwithstanding the existence of the conflict.

If it is determined by the Proxy Voting Committee that a conflict of interest is material, the Proxy Voting Committee is responsible for determining an appropriate method to resolve such conflict of interest before the proxy affected by the conflict of interest is voted. Such determination is based on the particular facts and circumstances,

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including the importance of the proxy issue and the nature of the conflict of interest. Methods of resolving a material conflict of interest may include, but are not limited to, disclosing the conflict to clients and obtaining their consent before voting, or suggesting to clients that they engage another party to vote the proxy on their behalf.

ITEM 8. [RESERVED]

ITEM 9. CONTROLS AND PROCEDURES.

- (a) The registrant's principal executive officer and principal financial officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act")) are effective as of a date within 90 days of the filing date of this report that includes the disclosure required by this paragraph, based on their evaluation of the disclosure controls and procedures required by Rule 30a-3(b) under the 1940 Act and 15d-15(b) under the Securities Exchange Act of 1934.
- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the registrant's last fiscal half-year (the registrant's second fiscal half-year in the case of an annual report) that have materially affected, or are likely to materially affect the registrant's internal control over financial reporting.

ITEM 10. EXHIBITS.

- (a) Not applicable.
- (b) Attached hereto.

Exhibit 99.CERT                      Certifications pursuant to section 302 of the Sarbanes-Oxley Act of 2002

Exhibit 99.906CERT                      Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

### SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this Report to be signed on its behalf by the undersigned, there unto duly authorized.

Citigroup Investments Corporate Loan Fund Inc.

By:     /s/ R. Jay Gerken  
          R. Jay Gerken  
          Chief Executive Officer of  
          Citigroup Investments Corporate Loan Fund Inc.

Date:   June 4, 2004

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the

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dates indicated.

By: /s/ R. Jay Gerken  
R. Jay Gerken  
Chief Executive Officer of  
Citigroup Investments Corporate Loan Fund Inc.

Date: June 4, 2004

By: /s/ Richard L. Petekal  
Richard L. Peteka  
Chief Financial Officer of  
Citigroup Investments Corporate Loan Fund Inc.

Date: June 4, 2004