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TRAVELERS CORP LOAN FUND INC  
Form N-30D  
June 04, 2001

Travelers Corporate Loan Fund Inc.

Semi-Annual Report March 31, 2001

Ticker Symbol: TLI

[GRAPHIC]

[PHOTO]

Heath B. McLendon

Chairman

[PHOTO]

Glenn N. Marchak

Vice President and Investment Officer

Travelers  
Corporate  
Loan Fund Inc.

Dear Shareholder:

We are pleased to provide you with the semi-annual report for the period ended March 31, 2001 for the Travelers Corporate Loan Fund Inc. ("Fund"). We hope you find this report useful and informative. During the reporting period, the Fund distributed income dividends totaling \$0.71 per share.

The table below shows the annualized distribution rate and six-month total return based on the Fund's net asset value per share ("NAV") at March 31, 2001 and the New York Stock Exchange ("NYSE") closing price at March 31, 2001./1/

Price Per Share	Annualized Distribution Rate/2/	Six-Month Total Return/2/
\$14.52 (NAV)	8.55%	1.00%
\$14.10 (NYSE)	8.81%	1.10%

The Fund's investment objective is to maximize current income consistent with prudent efforts to preserve capital. The Fund seeks to achieve this objective by investing primarily in a professionally managed portfolio of interests in floating or variable rate collateralized senior loans.

1 The NAV is calculated by subtracting total liabilities from the closing value of all securities held by the Fund (plus all other assets) and dividing the result (total net assets) by the total number of shares outstanding. The NAV fluctuates with the changes in the market price of the securities in which the Fund has invested. However, the price at which the investor may buy or sell shares of the Fund is at their market (NYSE) price as determined by supply and demand of the Fund's shares.

2 Total returns are based on changes in NAV and the market value, respectively. Total returns assume the reinvestment of all dividends and/or capital gains distributions in additional shares. Annualized distribution rate is the Fund's current monthly income dividend rate, annualized, and then divided by the NAV or the market value noted in the report. This annualized distribution

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rate assumes a current monthly income dividend rate of \$0.1035 for 12 months. This rate is as of April 30, 2001 and is subject to change. The important difference between a total return and an annualized distribution rate is that the total return takes into consideration a number of factors including the fluctuation of the NAV or the market value during the period reported. The NAV fluctuation includes the effects of unrealized appreciation or depreciation in the Fund. Accordingly, since an annualized distribution rate only reflects the current monthly income dividend rate annualized, it should not be used as the sole indicator to judge the return you receive from your Fund investment. Past performance is not indicative of future results.

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Travelers Corporate Loan Fund Inc.

1

We are pleased to report that, based on data provided by Lipper Inc. ("Lipper")/3/, the Fund had the highest cumulative total return for the quarter ended March 31, 2001, when compared to all of the other funds in the "Loan Participation" category. Cumulative total return is based on distributed earnings plus any change in NAV.

On April 12, 2001, the Fund declared a regular monthly dividend for April of \$0.1035 per share. The April 2001 monthly dividend payout was reduced by one-half cent per share from the rate paid in March 2001 and is the fourth in a series of dividend reductions beginning in January 2001. The dividend reductions were largely in response to the series of five 50-basis-point easings of short-term interest rates by the Federal Reserve Board ("Fed") that began on January 3, 2001. The Fed has reduced short-term interest rates from 6.5% to 4.0% since January 2001.

Unlike fixed-rate investments, interest rates of collateralized loans will periodically adjust in response to changes in short-term interest rates. These rate adjustments provide investors with higher income during periods of rising interest rates and lower income during periods of declining interest rates. Our dividend strategy during this period is to adjust the dividend to match as closely as possible, the decline in interest earned on the investments in the Fund's portfolio resulting from the reduction in short-term interest rates.

### Portfolio Review

Consistent with our original investment mandate, the Fund's portfolio is made up entirely of floating or variable rate collateralized senior loans. As of March 31, 2001, the Fund had total investments of approximately \$208 million and was invested in 28 industry sectors, with the largest industry concentration of 12.4% in the telecommunications industry. The Fund had interests in loans made to 75 issuers.

During the quarter, the Fund's NAV declined approximately \$0.19, or 1.3% to \$14.52 primarily as a result a continuing general softness of prices in the corporate loan market. Since the end of the quarter, the Fund's NAV has remained relatively stable. One key aspect of the Fund's management policy is that its NAV is calculated to date on a "mark-to-market" basis using current market prices for each loan in the Fund as determined weekly by a third party pricing service.

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3 Lipper is an independent mutual fund-tracking organization.

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2001 Semi-Annual Report to Shareholders

2

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For the first time since the inception of the Fund, we are in a period of declining short-term interest rates. From June 1999 to May 2000, the Fed increased short-term interest rates six times by an aggregate 175 basis points from 4.75% to 6.50% and then held rates steady at 6.50% through December 2000. In a surprise move on January 3, 2001, the Fed reduced short-term interest rates by 50 basis points. On January 31<sup>st</sup>/ and March 20<sup>th</sup>/, the Fed moved again at its regularly scheduled Federal Open Market Committee ("FOMC") meetings, lowering rates by an additional 50 basis points at each meeting. In another surprise move on April 18, 2001, the Fed moved between FOMC meetings lowering the federal funds rate ("fed funds rate")<sup>4/</sup> by a further 50 basis points to 4.50%. On May 15, 2001 at the scheduled FOMC meeting, the Fed lowered interest rates again by an additional 50 basis points bringing interest rates to 4.00%. As interest payable on the loans in the portfolio are based on the London Inter Bank Offered Rate ("LIBOR"),<sup>5/</sup> a short-term interest benchmark, changes in the Fed's rate policy have had a direct effect on the return the Fund's portfolio generates, all things being equal.

As previously noted, the regular monthly dividend was decreased by one-half cent to \$0.1035 on April 12, 2001 and this reduction followed three earlier decreases during the first quarter of 2001. We continue to believe that the odds are in favor of further rate reductions by the Fed and should that occur, we anticipate that our dividend would be directly affected, all things being equal. While the nominal rate of our dividends has decreased as the Fed reduced short-term interest rates, the real rate of return on our portfolio should remain strong as the expected rate of inflation subsides.

Since the end of 2000, the Fund's share price has recovered from a drop-off that began in November 2000 and is currently trading at over \$14.00 per share. The market price of the Fund's shares at the time of our last report was generally trading around \$14.25 per share and trending downward. Since that time, the shares have generally traded in a range of \$14.00 to \$14.20 with the exception of a period beginning in mid April when the shares traded below that level, possibly as a result of tax selling. The Fund's shares continue to trade at a discount to their NAV, however this discount has been narrower than historical levels. (Of course, past performance is not indicative of future results.)

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- 4 The fed funds rate is the interest rate that banks with excess reserves at a Federal Reserve district bank charge other banks that need overnight loans. The fed funds rate often points to the direction of U.S. interest rates.
- 5 LIBOR is the rate that most creditworthy international banks dealing in euro charge each other for large loans.

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Travelers Corporate Loan Fund Inc.

3

### Corporate Loan Market Outlook

Little has changed in the quarter since our last report. There continues to be a shortage of new issue supply, a high level of distressed and defaulted credits and the secondary market remains tight. On the positive side, credit structures remain strong and pricing on new transactions continues to be generous by historical standards.

The economy has continued to be weak and the capital markets, in general, have not provided easy access to credit while the cost of the credit that is available remains high. While we have seen periods of improvement, the general

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trend remains leaning toward weakness. These conditions coupled with difficulties in certain industry sectors have led to an increasing level of distressed and defaulted credits over the last several quarters. We expect that the level of distressed and defaulted credits will remain high in the near future. These same conditions have led to the continuation of a low level of merger and acquisition and leveraged buyout activity. As a result, the supply of new loans available in the market to invest in has been low and competition for well-structured and priced loans remains high. The shortage of new loans available has led to a tight secondary market where the availability of desirable loans continues to be low.

In spite of the difficult market conditions, we think the long-term investment horizon is attractive. The difficult conditions that have existed for the past several quarters have resulted in better discipline in the market that should drive stronger market dynamics as the economy recovers. Credit structures have remained strong and pricing has continued to be high by historical norms as a result of the stricter credit and pricing standards imposed by investors. We expect that we will see favorable structuring and pricing trends for the foreseeable future.

### Investment Strategy

As noted earlier, this continues to be a challenging period in the corporate loan market. Our strategies for managing the portfolio during this period remain the same as those outlined in our earlier reports to you: maintain high credit standards when selecting loans to add to the portfolio (at the time of investment); seek out loans that are priced appropriately for the credit risk of the loan; continue to improve the Fund's diversification at the margin; attempt to identify negative industry trends in advance of credit problems, and; monitor all loans to spot weakness and plan appropriate courses of action.

Additionally, we seek to identify changing economic and financial market factors that could result in an unacceptably high level of vulnerability for any of the corporate loans held in the portfolio. While the majority of the portfolio

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2001 Semi-Annual Report to Shareholders

4

continues to perform well, there is a higher level of risk in the portfolio than we had experienced prior to the downturn in the economy. We monitor the portfolio carefully and seek to be vigilant in staying with the credit discipline that we have followed in the past.

Loan runoff from early repayments has been relatively low during the last quarter. As a result, we have been able to maintain satisfactory asset levels in the face of a market that is experiencing a shortage of new loan investment opportunities. We believe that loan runoff will remain manageable for the foreseeable future and, correspondingly, asset levels should remain at acceptable levels, all things being equal.

While we have continued to be decidedly conservative in investing in the telecommunications industry, it remains our largest industry concentration. Since the beginning of 2001, we have added one small position in the industry. We have not sold any of our existing positions. However, on a net basis, our dollar exposure to and concentration in the telecommunications industry has been reduced as a result of loan repayments.

We continue to be comfortable with the investments we have made in this industry. We have steered away from early or developmental stage telecommunications companies in the "build out" mode that are not producing

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positive cash flow and are potentially dependent on the capital markets to fund significant future capital expenditure needs. Rather, we have invested in more established companies with less aggressive growth projections that have more normalized capital expenditure needs and are producing positive cash flow results sufficient to satisfy their operating cash flow needs.

Our goal in the Fund remains constant: work hard to optimize the Fund's diversification and target select opportunities while operating within the parameters of our high credit standards. And while no guarantees can be given, we seek to bring our shareholders the best combination of quality and price in the assets we purchase to achieve the best risk-adjusted returns available in the corporate loan assets class.

### Economic Outlook

The U.S. economy has continued to show weakness since the beginning of 2001. Although there have been some signs of a stronger economic activity in the last several weeks -- (2% Gross Domestic Product ("GDP")/6/ growth in the

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6 GDP is the market value of the goods and services produced by labor and property in the U.S. GDP comprises consumer and government purchases, private domestic investments and net exports of goods and services.

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Travelers Corporate Loan Fund Inc.

5

first quarter, stronger than expected consumer spending evidenced by strength in the housing and auto sectors, a significant drop in inventories and a stronger stock market) -- there remains a considerable list of negatives including:

- . slowing employment;
- . declining consumer and business confidence;
- . high consumer debt levels and negative savings rate;
- . continuing weakness in capital spending and low capacity utilization rates;
- . declining corporate earnings;
- . the technology sector is in meltdown mode;
- . expectations for increasing energy costs;
- . significant downside risks to California's economy; and
- . slowing foreign economies in Europe, Japan, Pacific Rim, Latin America and North America indicating a global slowdown and the strength of the U.S. dollar is a drag on both US exports and earnings.

While stronger than expected GDP growth and recent strength in some areas has generated a more positive tone in the financial markets and may suggest a lower probability of recession, we remain cautious about the second half of 2001 and believe the markets may be overestimating the extent and probability of a rebound. If unemployment moves over 5%, we expect slower growth due to the effect on consumer spending.

Revised fourth quarter 2000 GDP growth at 1.0% was less than initially estimated. While first quarter GDP growth was better than expected at 2%, the U.S. economy continued to be weak through the first quarter of 2001. First quarter U.S. corporate profits had their largest quarterly decline in a decade as businesses cut spending. After several years of heavy capital spending, businesses slowed spending on capital equipment significantly as a result of low capacity utilization, high inventory levels and an increasingly pessimistic outlook in the business community. Indeed, business confidence is at a 20-year low. In February and March, retail sales declined by 0.2%. In March, the US

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unemployment rate rose to 4.3%, its highest level in two years and non-farm payrolls fell by 86,000, the biggest one-month loss since November 1991. Unemployment claims are at their highest levels since the last recession in the early 1990s.

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6

Given the economic slowdown and heightened risks of recession, the Fed has aggressively lowered short-term interest rates since the beginning of 2001. We think the combination of Fed short-term interest rate reductions, increases in the money supply, proposed tax reductions and proposed increases in government spending should provide the needed stimulus to pull the economy out of its downturn. However, the combined benefits of these monetary and fiscal measures will take time to become fully evident in the economy. Therefore, we believe a higher probability lies in continued weakness in 2001 driven by continuing softness in employment, higher energy costs, weak corporate earnings, continued slowing of global economies and lingering weakness in business and consumer confidence. Correspondingly, we believe the Fed may continue to lower the fed funds rate.

In the event that the economy has bottomed as could be suggested by certain more recent developments including the surprising 2% GDP growth in the first quarter, we believe it will be some time before we see signs of a resumption of sustained expansion as the fiscal and monetary actions taken and those proposed will take time to have a meaningful affect on growth.

Thank you for investing in the Travelers Corporate Loan Fund Inc. We look forward to seeking to achieve our objectives of maximizing current income consistent with prudent efforts to preserve capital. Moreover, we promise to seek the best risk-adjusted returns available from corporate loans and to work hard to provide you with a stable, long-term investment with competitive rates of return.

Sincerely,

/s/ Heath B. McLendon    /s/ Glenn N. Marchak  
Heath B. McLendon      Glenn N. Marchak  
Chairman                      Vice President and  
    Investment Officer

May 17, 2001

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Travelers Corporate Loan Fund Inc.

7

Take Advantage of the Fund's Dividend Reinvestment Plan!

Did you know that Fund investors who reinvest their dividends are taking advantage of one of the most effective wealth-building tools available today? Systematic investments put time to work for you through the strength of compounding.

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

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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% 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 Global Fund Services ("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 21. To find out more detailed information about the Plan and about how you can participate, please call PFPC Global Fund Services at (800) 331-1710.

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2001 Semi-Annual Report to Shareholders

8

Schedule of Investments (unaudited)

March 31, 2001

FACE AMOUNT	SECURITY	LOAN TYPE	STATED MATURITY	VALUE*
-----				
SENIOR COLLATERALIZED LOANS -- 98.6%				
Aerospace/Defense -- 3.7%				
\$5,325,269	Decrane Aircraft Holdings, Inc.	Term B	9/30/05	\$ 5,298,643
2,468,827	Decrane Aircraft Holdings, Inc.	Term D	12/24/06	2,444,139
				-----
				7,742,782
-----				
Automotive -- 5.7%				
3,712,500	Dura Automotive Systems, Inc.	Term B	3/31/06	3,526,875
1,952,909	J.L. French Automotive Casting, Inc.	Term B	10/21/06	1,669,737
2,000,000	Metaldyne Corp.	Term B	11/28/08	1,997,600
4,797,414	Stoneridge, Inc.	Term B	12/31/05	4,617,511
				-----
				11,811,723

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Building Materials -- 4.1%			
2,000,000	Hanley-Wood, Inc.	Term B	9/21/07 1,998,800
1,320,213	Onex ABCO LP (Magnatrax)	Term B	11/15/05 1,188,192
2,918,611	Panolam Industries International, Inc.	Term B	1/31/07 2,915,109
2,671,415	Trussway Holdings Inc.	Term B	12/31/06 2,511,127

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8,613,228

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Chemicals -- 7.2%			
2,962,500	Georgia Gulf Corp.	Term B	11/10/06 2,984,719
1,470,000	Huntsman ICI Chemical LLC	Term B	6/30/07 1,479,261
1,470,000	Huntsman ICI Chemical LLC	Term C	6/30/08 1,479,261
864,947	Lyondell Petrochemical Co.	Term B	6/30/05 871,434
7,877,016	Lyondell Petrochemical Co.	Term E	5/17/06 8,172,404

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14,987,079

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Conglomerates -- 0.7%			
1,492,500	Gentek, Inc.	Term C	10/31/07 1,499,963

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Construction Machinery -- 1.4%			
2,985,000	United Rentals, Inc.	Term C	6/30/06 2,880,525

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Consumer Products -- 1.8%			
938,125	American Safety Razor Co.	Term B	4/30/07 931,089
1,965,000	Holmes Products Corp.	Term B	2/5/07 1,729,200
1,000,000	Shop Vac Corp.	Multi-Draw	7/7/07 997,500

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3,657,789

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Electric -- 1.9%			
3,980,000	Western Resources, Inc.	Term	3/17/03 3,999,900

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Entertainment -- 5.4%			
2,970,000	Corus Entertainment Inc.	Term B	9/30/07 2,964,357
1,250,000	Entravision Communications	Term B	12/31/08 1,264,125
1,700,000	Hoops, L.P.	Term A	9/30/05 1,695,750
3,500,000	Six Flags Theme Parks Inc.	Term B	11/5/05 3,537,100

See Notes to Financial Statements.

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Travelers Corporate Loan Fund Inc.

9

Schedule of Investments (unaudited) (continued)

March 31, 2001

FACE

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AMOUNT	SECURITY	TYPE	MATURITY	VALUE*
-----				
Entertainment -- 5.4% (continued)				
\$ 80,000	Washington Football Group, Inc.	Term A	10/29/04	\$ 80,048
1,720,000	Washington Football Group, Inc.	Term C	10/29/04	1,730,836
				11,272,216
-----				
Environmental -- 3.3%				
1,969,954	Allied Waste North America, Inc.	Term B	7/30/06	1,952,815
2,363,945	Allied Waste North America, Inc.	Term C	7/30/07	2,343,378
2,750,000	Casella Waste System, Inc.	Term B	12/14/06	2,598,750
				6,894,943
-----				
Food -- 1.6%				
996,667	Buffets, Inc.	Term B	3/5/06	1,005,437
1,907,080	NSC Operating Co. (Nutrasweet)	Term B	5/27/07	1,916,616
500,000	NSC Operating Co. (Nutrasweet)	2nd Lien	5/25/09	498,750
				3,420,803
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Gaming -- 3.1%				
908,965	Ameristar Casinos, Inc.	Term B	12/26/06	913,509
779,112	Ameristar Casinos, Inc.	Term C	12/26/07	783,008
2,487,500	Autotote Corp.	Term B	9/30/07	2,363,125
1,323,333	Isle of Capri Casinos, Inc.	Term B	3/2/06	1,316,717
1,157,917	Isle of Capri Casinos, Inc.	Term C	3/2/07	1,152,127
				6,528,486
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Healthcare -- 4.0%				
1,250,000	Caremark Rx Inc.	Term B	3/15/06	1,256,250
900,000	Stericycle, Inc.	Term B	11/10/06	904,500
6,067,940	Stryker Corp.	Term B	12/4/05	6,098,280
				8,259,030
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Home Construction -- 1.0%				
1,990,000	Lennar Corp.	Term B	5/2/07	2,004,925
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Independent Energy -- 1.6%				
3,372,505	Heating Oil Partners LP	Term	9/30/03	3,364,074
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Industrial - Other -- 9.3%				
2,441,860	Flowserve Corp.	Term B	6/30/08	2,429,651
2,079,072	General Cable Corp.	Term B	5/27/07	2,019,402
2,000,000	Hines Nurseries, Inc.	Term B	3/28/05	1,900,000

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997,500 Iron Mountain, Inc.	Term B	2/28/06	1,006,278
2,250,000 Mark IV Industries, Inc.	Term B	9/11/08	2,126,250
1,477,500 Mueller Group, Inc.	Term B	8/16/06	1,484,888
1,477,500 Mueller Group, Inc.	Term C	8/16/07	1,484,888
992,500 Mueller Group, Inc.	Term D	8/16/07	997,463
3,960,000 SPX Corp.	Term B	12/31/06	3,975,048
2,352,657 Western Industries Ltd.	Term B	6/23/06	1,976,232

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19,400,100  
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See Notes to Financial Statements.

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2001 Semi-Annual Report to Shareholders

10

Schedule of Investments (unaudited) (continued)

March 31, 2001

FACE AMOUNT	SECURITY	LOAN TYPE	STATED MATURITY	VALUE*
-----				
Insurance -- 0.7%				
\$1,453,125	Oxford Health Plans, Inc.	Term B	12/27/06	\$ 1,453,125
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Lodging -- 1.5%				
3,000,000	Starwood Hotels & Resorts Worldwide, Inc.	IRN	2/23/03	3,011,400
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Media/Cable -- 7.6%				
2,500,000	Century Cable Holdings (Adelphia)	Term B	9/28/09	2,487,500
9,000,000	Charter Communications Operating LLC	Term B	3/18/08	8,932,500
1,736,842	Classic Cable, Inc.	Term B	1/31/08	1,641,316
868,421	Classic Cable, Inc.	Term C	1/31/08	820,658
2,000,000	Insight Midwest LLC	Term B	12/31/09	2,005,000
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				15,886,974
-----				
Media/Non-Cable -- 11.4%				
4,801,010	21st Century Newspapers	Term B	9/15/05	4,765,003
1,782,857	Advanstar Communications Inc.	Term B	10/12/08	1,769,486
4,500,000	American Media Operation Inc.	Term B	4/1/07	4,536,450
1,846,435	Canwest Media Inc.	Term B	5/15/08	1,848,835
1,153,565	Canwest Media Inc.	Term C	5/15/09	1,155,065
1,000,000	Emmis Communications Corp.	Term B	2/28/07	999,400
4,000,000	Susquehanna Media Co.	Term B	6/30/08	4,000,000
1,792,112	Trader.com N.V.	Term B	12/6/06	1,774,191
1,207,888	Trader.com N.V.	Term C	12/6/07	1,195,809

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1,733,023 Young Broadcasting, Inc.	Term B	12/31/06	1,743,941
			23,788,180
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Metals -- 0.8%			
1,678,750 Ucar International Inc.	Term B	12/31/07	1,578,025
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Other - Energy -- 0.7%			
1,398,282 TransMontaigne Inc.	Term B	7/1/06	1,377,307
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Other - Financial Institutions -- 1.8%			
1,477,068 Bridge Information Systems, Inc.	Multi-Draw	5/29/03	324,955
2,739,352 Bridge Information Systems, Inc.	Term B	5/29/05	602,658
2,962,500 Outsourcing Solutions Inc.	Term B	6/10/06	2,784,750
			3,712,363
-----			
Packaging -- 0.5%			
1,000,000 Greif Brothers Corp.	Term B	2/28/08	1,007,500
-----			
Railroads -- 1.4%			
1,995,000 Kansas City Southern Railway Co.	Term B	12/29/06	2,007,569
926,499 RailAmerica, Inc.	Term B	12/31/06	931,131
			2,938,700
-----			
Technology -- 2.3%			
2,487,500 Suez Acquisition Co.	Term B	11/22/06	2,478,296
2,277,019 Trend Technologies, Inc.	Term B	3/9/07	2,254,249
			4,732,545
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See Notes to Financial Statements.

Travelers Corporate Loan Fund Inc.

11

Schedule of Investments (unaudited) (continued)

March 31, 2001

FACE AMOUNT	SECURITY	LOAN TYPE	STATED MATURITY	VALUE*
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Telecommunications -- 12.4%

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\$1,247,126 American Cellular Corp.	Term B	3/31/08	\$ 1,247,126
1,425,287 American Cellular Corp.	Term C	3/31/09	1,425,287
2,892,776 Centennial Cellular Operating Co.	Term B	5/1/07	2,900,008
2,892,602 Centennial Cellular Operating Co.	Term C	11/30/07	2,899,834
1,000,000 Crown Castle Operating Co.	Term B	3/31/08	1,005,000
1,980,000 Dobson Operating Co.	Term B	1/7/08	1,983,762
3,750,000 Nextel Finance Co.	Term B	6/30/08	3,703,125
3,750,000 Nextel Finance Co.	Term C	12/31/08	3,703,125
2,500,000 Rural Cellular Corp.	Term B	10/3/08	2,487,500
2,500,000 Rural Cellular Corp.	Term C	4/3/09	2,487,500
2,000,000 Western Wireless Corp.	Term B	9/30/08	2,005,000

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25,847,267

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Transportation Services -- 1.7%

1,079,441 Evergreen International Aviation, Inc.	Term D	4/28/04	1,078,145
2,500,000 TravelCenters of America, Inc.	Term B	11/14/08	2,506,250

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3,584,395

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TOTAL SENIOR COLLATERALIZED LOANS

(Cost -- \$210,234,347) 205,255,347

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SHORT-TERM INVESTMENTS -- 1.4%

Commercial Paper -- 1.4%

2,800,000 Household Financial Corp., 5.400% due 4/2/01			2,799,160
(Cost -- \$2,798,740)			

-----  
TOTAL INVESTMENTS -- 100%

(Cost -- \$213,033,087\*\*) \$208,054,507

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

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

Abbreviations used in this schedule:

-----  
2nd Lien -- Subordinate Loan to 1st Lien  
IRN -- Increasing Rate Note  
Multi Draw -- Multi Draw Term Loan  
Term -- Term Loan  
Term A -- Term Loan A  
Term B -- Term Loan B  
Term C -- Term Loan C  
Term D -- Term Loan D  
Term E -- Term Loan E

See Notes to Financial Statements.

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2001 Semi-Annual Report to Shareholders

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12

Statement of Assets and Liabilities (unaudited)

March 31, 2001

ASSETS:

Investments, at value (Cost -- \$213,033,087)	\$208,054,507
Cash	145,570
Dividends and interest receivable	1,644,630

---

Total Assets	209,844,707
--------------	-------------

LIABILITIES:

Notes payable	67,200,000
Dividends payable	341,700
Management fee payable	157,616
Interest payable	59,021
Accrued expenses	72,747

---

Total Liabilities	67,831,084
-------------------	------------

---

Total Net Assets	\$142,013,623
------------------	---------------

NET ASSETS:

Par value of capital shares	\$ 9,782
Capital paid in excess of par value	146,269,339
Undistributed net investment income	898,736
Accumulated net realized loss from security transactions	(185,654)
Net unrealized depreciation of investments	(4,978,580)

---

Total Net Assets	\$142,013,623
------------------	---------------

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Shares Outstanding	9,781,667
--------------------	-----------

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Net Asset Value	\$14.52
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See Notes to Financial Statements.

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Travelers Corporate Loan Fund Inc.

13

Statement of Operations (unaudited)

For the Six Months Ended March 31, 2001

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INVESTMENT INCOME:	
Interest	\$10,448,327
Less: Interest expense	(2,380,883)
-----	
Total Investment Income	8,067,444
-----	
EXPENSES:	
Management fee (Note 2)	1,118,248
Audit and legal	41,020
Shareholder communications	37,192
Shareholder and system servicing fees	34,290
Directors' fees	18,844
Registration fees	8,679
Custody	3,472
Other	19,836
-----	
Total Expenses	1,281,581
-----	
Net Investment Income	6,785,863
-----	
REALIZED AND UNREALIZED LOSS ON INVESTMENTS (NOTE 3):	
Realized Loss From Security Transactions (excluding short-term securities):	
Proceeds from sales	29,597,928
Cost of securities sold	29,782,091
-----	
Net Realized Loss	(184,163)
-----	
Change in Net Unrealized Appreciation (Depreciation) of Investments:	
Beginning of period	570,147
End of period	(4,978,580)
-----	
Increase in Net Unrealized Depreciation	(5,548,727)
-----	
Net Loss on Investments	(5,732,890)
-----	
Increase in Net Assets From Operations	\$ 1,052,973
-----	

See Notes to Financial Statements.

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2001 Semi-Annual Report to Shareholders

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For the Six Months Ended March 31, 2001 (unaudited)  
and the Year Ended September 30, 2000

	2001	2000
-----		
OPERATIONS:		
Net investment income	\$ 6,785,863	\$ 13,656,396
Net realized gain (loss)	(184,163)	260,605
(Increase) decrease in net unrealized depreciation	(5,548,727)	4,590
-----		
Increase in Net Assets From Operations	1,052,973	13,921,591
-----		
DISTRIBUTIONS TO SHAREHOLDERS FROM:		
Net investment income	(6,954,765)	(14,070,928)
Net realized gains	(220,088)	(263,127)
-----		
Decrease in Net Assets From Distributions to Shareholders	(7,174,853)	(14,334,055)
-----		
Decrease in Net Assets	(6,121,880)	(412,464)
NET ASSETS:		
Beginning of period	148,135,503	148,547,967
-----		
End of period*	\$142,013,623	\$148,135,503
-----		
* Includes undistributed net investment income of:	\$898,736	\$1,067,638
-----		

See Notes to Financial Statements.

Travelers Corporate Loan Fund Inc.

15

Statement of Cash Flows (unaudited)

For the Six Months Ended March 31, 2001

CASH FLOWS PROVIDED BY OPERATING AND INVESTING ACTIVITIES:	
Interest and dividends received	\$ 10,419,047
Operating expenses paid	(1,331,791)
Interest paid on bank loans	(2,404,193)
Net short-term purchases	(689,943)
Purchases of portfolio securities	(29,369,904)
Proceeds from disposition of long-term securities	29,597,928

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Net Cash Flows Provided By Operating and Investing Activities	6,221,144
-----	
CASH FLOWS USED BY FINANCING ACTIVITIES:	
Net borrowings under line-of-credit agreement	1,000,000
Cash dividends paid on common stock	(7,213,309)
-----	
Net Cash Flows Used By Financing Activities	(6,213,309)
-----	
NET INCREASE IN CASH	7,835
Cash, Beginning of period	137,735
-----	
Cash, End of period	\$ 145,570
-----	
RECONCILIATION OF INCREASE IN NET ASSETS FROM OPERATIONS TO NET CASH FLOWS PROVIDED BY OPERATING AND INVESTING ACTIVITIES:	
Increase in Net Assets From Operations	\$ 1,052,973
-----	
Amortization of discount on securities	68,333
Decrease in investments, at value	5,202,640
Decrease in interest payable for money borrowed	(23,310)
Increase in dividends and interest receivable	(29,281)
Decrease in accrued expenses	(50,211)
-----	
Total Adjustments	5,168,171
-----	
Net Cash Flows Provided By Operating and Investing Activities	\$ 6,221,144
-----	

See Notes to Financial Statements.

2001 Semi-Annual Report to Shareholders

16

Notes to Financial Statements (unaudited)

1. Significant Accounting Policies

The Travelers 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 significant accounting policies consistently followed by the Fund are: (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 ask prices;



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(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 Trustees; (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) the character of income and gains to be distributed are determined in accordance with income tax regulations which may differ from generally accepted accounting principles. At September 30, 2000, reclassifications were made to the Fund's capital accounts to reflect permanent book/tax differences and income and gains available for distributions under income tax regulations. Accordingly, a portion of undistributed net investment loss amounting to \$27,900 was reclassified to paid-in capital. Net investment income, net realized gains and net assets were not affected by this change; (i) 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; and (j) collateralized senior loans will be valued at readily ascertainable market values and in the absence of these market values the loans are valued at fair value. Fair value is determined in accordance with guidelines established by the Fund's Board of Directors. In valuing a loan, Smith Barney Fund Management LLC ("SBFM"), formerly known as SSB Citi Fund Management LLC, the Fund's investment advisor, with the assistance of the Travelers Asset Management International Company LLC ("TAMIC"), the sub-advisor, 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

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Travelers Corporate Loan Fund Inc.

17

Notes to Financial Statements (unaudited) (continued)

(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. However, because the secondary market has not yet fully developed, SBFM will not rely solely on such prices or quotations.

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

2. Management Agreement and Transactions with Affiliated Persons

SBFM, a subsidiary of Salomon Smith Barney Holdings Inc. ("SSBH"), which, in turn, is a wholly-owned subsidiary of Citigroup Inc. ("Citigroup") acts as investment advisor for 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 average weekly assets. This fee is calculated weekly and paid

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monthly.

SBFM has entered into a sub-investment advisory agreement with TAMIC, another wholly-owned indirect subsidiary of Citigroup. 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 weekly assets for the services TAMIC provides as sub-advisor. This fee is calculated weekly and paid monthly.

All officers and one Director of the Fund are employees of either Salomon Smith Barney Inc. ("SSB"), another subsidiary of Citigroup or its affiliates.

3. Investments

During the six months ended March 31, 2001, the aggregate cost of purchases and proceeds from sales of investments (including maturities, but excluding short-term securities) were as follows:

-----  
Purchases \$29,392,138

-----  
Sales           29,597,928

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2001 Semi-Annual Report to Shareholders

18

Notes to Financial Statements (unaudited) (continued)

At March 31, 2001, the aggregate gross unrealized appreciation and depreciation of investments for Federal income tax purposes were substantially as follows:

-----	
Gross unrealized appreciation	\$ 1,275,998
Gross unrealized depreciation	(6,254,578)
-----	
Net unrealized depreciation	\$ (4,978,580)
-----	

4. Commitments

The Fund has entered into a 364 day revolving credit agreement and a three year revolving credit agreement to borrow up to an aggregate of \$73.5 million from a syndicate of major financial institutions. The 364 day revolving credit agreement was renewed on January 30, 2001. The 364 day revolving credit

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agreement matures on January 29, 2002 and the three year revolving credit agreement matures on February 1, 2002. Borrowing rates under both of these agreements are based on a fixed spread over LIBOR or the Prime Rate. The Fund pays a facility fee quarterly at 0.10% and 0.15% per annum for the 364 day and three year revolving credit agreements, respectively. The amount of aggregate borrowings outstanding at March 31, 2001 was \$67.2 million at a weighted average interest rate of 6.48%, which represented 32.12% of net assets plus borrowings. Average aggregate borrowings for the six months ended March 31, 2001, were \$68,934,301 and the average annualized interest rate was 6.53%.

### 5. Offering Costs

Offering costs of \$607,394 were incurred at the inception of the Fund. Of this amount, \$382,394 was paid by SBFM. The balance of \$225,000 was paid by the Fund.

### 6. Capital Shares

At March 31, 2001, the Fund had 150,000,000 shares of capital stock authorized, ("Common Stock") with a par value of \$0.001 per share.

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 Travelers Corporate Loan Fund Inc.

19

### Financial Highlights

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

	2001/(1)/	2000	1999/(2)/
-----			
Net Asset Value, Beginning of Period	\$15.14	\$15.19	\$15.00
-----			
Income (Loss) From Operations:			
Net investment income	0.69	1.40	0.97
Net realized and unrealized gain (loss)	(0.58)	0.02	0.09
-----			
Total Income From Operations	0.11	1.42	1.06
-----			
Offering Costs on Issuance of Common Stock	--	--	(0.02)
-----			
Less Distributions From:			
Net investment income	(0.71)	(1.44)	(0.85)
Net realized gains	(0.02)	(0.03)	--
-----			
Total Distributions	(0.73)	(1.47)	(0.85)
-----			
Net Asset Value, End of Period	\$14.52	\$15.14	\$15.19

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Total Return, Based on Market Value	1.10%++	13.35%	1.68%++
Total Return, Based on Net Asset Value	1.00%++	10.55%	7.45%++
Net Assets, End of Period (000s)	\$142,014	\$148,136	\$148,548
Ratios to Average Net Assets:			
Net investment income	9.45%+	9.20%	7.48%+
Interest expense	3.31+	3.04	1.68+
Organization expense	--	--	0.24+
Other expenses	1.78+	1.70	1.63+
Portfolio Turnover Rate	14%	59%	53%
Market Value, End of Period	\$14.1000	\$14.6875	\$14.375

(1) For the six months ended March 31, 2001 (unaudited).

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

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

+ Annualized.

2001 Semi-Annual Report to Shareholders

20

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 Global Fund Services ("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 Global Fund Services, 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

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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 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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Travelers Corporate Loan Fund Inc.

21

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

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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 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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2001 Semi-Annual Report to Shareholders

22

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 Global Fund Services, P.O. Box 8030, Boston, Massachusetts 02266-8030 or by telephone at (800) 331-1710.

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Travelers Corporate Loan Fund Inc.

23

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Directors  
Allan J. Bloostein  
Martin Brody  
Dwight Crane  
Robert Frankel  
William R. Hutchinson  
Heath B. McLendon, Chairman

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Officers

Heath B. McLendon  
President and  
Chief Executive Officer

Lewis E. Daidone  
Senior Vice President  
and Treasurer

Glenn N. Marchak  
Vice President and  
Investment Officer

Irving P. David  
Controller

Christina T. Sydor  
Secretary

[LOGO] NYSE Logo

Investment Advisor  
Smith Barney Fund Management LLC

Sub-Investment Advisor  
Travelers Asset Management  
International Company LLC

Custodian  
PFPC Trust Company

Transfer Agent  
PFPC Global Fund Services  
P.O. Box 8030  
Boston, Massachusetts 02266-8030

This report is intended only for shareholders of Travelers Corporate Loan Fund Inc. It 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.

Travelers Corporate  
Loan Fund Inc.  
7 World Trade Center  
New York, New York 10048

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