

Rexnord Corp
Form 4
June 05, 2014

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2015
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
STROPKI JOHN M

(Last) (First) (Middle)
4701 WEST GREENFIELD AVE.
(Street)
MILWAUKEE, WI 53214

2. Issuer Name and Ticker or Trading Symbol
Rexnord Corp [RXN]

3. Date of Earliest Transaction (Month/Day/Year)
06/04/2014

4. If Amendment, Date Original Filed (Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

6. Individual or Joint/Group Filing (Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D) Code V Amount (D) Price			
Common Stock	06/04/2014		P	1,935 A \$ 26.66	5,504	I	By Spouse

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. De
Stock Option (right to buy)	\$ 28.23					01/16/2015 ⁽¹⁾ 01/16/2024	Common Stock 9,409	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
STROPKI JOHN M 4701 WEST GREENFIELD AVE. MILWAUKEE, WI 53214		X		

Signatures

/s/Jeffrey J. LaValle under Power of Attorney for John M. Stropki
06/04/2014

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Option vests in three annual installments beginning on the date listed above.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. air Value

----- RULE

144A SECURITIES - 4.60%:	(A) BONDS - 4.60%	A E S Corporation	8.750%	05/15/13	\$ 425,000	\$ 470,893	\$ 454,750	A E S Corporation	9.000	05/15/15	175,000	175,000	188,125	Atlas Pipeline Partners	8.125	12/15/15	100,000	100,000	99,625	Basic Energy Services	7.125	04/15/16	125,000	125,000	116,250	Bombardier, Inc.	6.300	05/01/14	500,000	440,315	435,000	Charter Communications Op LLC	8.000	04/30/12	500,000	498,750	497,500	Douglas Dynamics LLC	7.750	01/15/12	325,000	326,738	308,750	Dynegy Holdings, Inc.	8.375	05/01/16	165,000	165,000	162,525	Edison Mission Energy	7.750	06/15/16	235,000	235,000	230,888	G F S I, Inc.	11.000	06/01/11	375,000	340,343	354,375	Interactive Health LLC	7.250	04/01/11	484,000	412,282	397,485	Neiman Marcus Group, Inc.	10.375	10/15/15	600,000	600,000	637,500	Packaging Corporation of America	10.000	05/01/16	350,000	350,000
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350,000 Petrohawk Energy Corporation 9.125 07/15/13 275,000 271,521 271,521 Service Corporation International (C) 8.000 06/15/17 500,000 495,015 467,500 Siebe PLC 6.500 01/15/10 350,000 308,000 358,552 Stewart & Stevenson LLC 10.000 07/15/14 100,000 100,000 100,375 Sungard Data Systems 9.125 08/15/13 75,000 75,000 77,813 T C W Lev Income Trust LP 8.410 11/30/06 452,859 452,859 298,524 Tenaska Alabama Partners LP 7.000 06/30/21 180,789 180,789 176,199 ----- TOTAL BONDS 6,122,505 5,983,257 -----
WARRANTS - 0.00% Winsloew Furniture, Inc. (B) 700 \$ 7 \$ -- ----- TOTAL WARRANTS 7 --
----- TOTAL RULE 144A SECURITIES 6,122,512 5,983,257 ----- TOTAL CORPORATE RESTRICTED SECURITIES \$ 96,023,050 \$ 97,532,125 -----

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONT.) MASSMUTUAL PARTICIPATION INVESTORS
June 30, 2006 (Unaudited) Interest Due Principal CORPORATE PUBLIC SECURITIES - 22.96%: (A) Rate Date
Amount Cost Market Value

BONDS -

21.91% Abitibi-Consolidated, Inc. 7.750% 06/15/11 \$ 500,000 \$ 514,778 \$ 458,750 Allied Waste NA 7.875 04/15/13 500,000 513,581 500,000 Appleton Papers, Inc. 8.125 06/15/11 250,000 250,000 252,500 Argo Tech Corporation 9.250 06/01/11 425,000 425,000 437,750 Arrow Electronics, Inc. 7.000 01/15/07 500,000 507,160 503,020 BCP Crystal US Holdings Corporation 9.625 06/15/14 355,000 355,000 385,175 Blockbuster, Inc. 10.000 09/01/12 275,000 276,398 256,438 C S C Holdings, Inc. 7.625 04/01/11 250,000 250,871 250,000 Cablevision Systems Corporation (C) 9.620 04/01/09 450,000 450,000 477,000 Cadmus Communications Corporation 8.375 06/15/14 350,000 350,000 346,500 Chemed Corporation 8.750 02/24/11 600,000 600,000 630,000 Chesapeake Energy Corporation 7.000 08/15/14 650,000 675,304 628,875 Cincinnati Bell, Inc. 8.375 01/15/14 550,000 503,750 541,750 Clayton Williams Energy, Inc. 7.750 08/01/13 375,000 375,000 345,000 Del Monte Corporation 8.625 12/15/12 200,000 200,000 206,000 Dollar Financial Group 9.750 11/15/11 325,000 325,000 349,375 Dominos Pizza, Inc. 8.250 07/01/11 109,000 108,213 113,088 Electronic Data Systems Corporation 7.125 10/15/09 500,000 504,526 516,375 Esterline Technologies 7.750 06/15/13 175,000 175,000 177,188 Ford Motor Credit Co. 5.800 01/12/09 500,000 499,070 456,784 Ford Motor Credit Co. 7.375 10/28/09 750,000 748,125 693,404 Gencorp, Inc. 9.500 08/15/13 130,000 130,000 138,125 General Motors Acceptance Corporation 5.850 01/14/09 750,000 742,759 718,953 Goodyear Tire & Rubber Co. 7.857 08/15/11 350,000 327,250 324,625 GulfMark Offshore, Inc. 7.750 07/15/14 300,000 298,725 292,500 Houghton Mifflin Co. 9.875 02/01/13 500,000 526,686 518,750 Huntsman LLC 11.625 10/15/10 163,000 161,068 180,115 Imax Corporation 9.625 12/01/10 500,000 515,710 512,500 Inergy LP 8.250 03/01/16 75,000 75,000 75,750 Intelsat Subsidiary Holding Company Ltd. (C) 9.614 01/15/12 225,000 224,998 227,250 Interline Brands, Inc. 8.125 06/15/14 150,000 148,925 149,625 Intrawest Corporation 7.500 10/15/13 250,000 250,000 248,750 K 2, Inc. 7.375 07/01/14 150,000 150,554 144,000 Koppers Inc. 9.875 10/15/13 170,000 170,000 182,325 Lazard LLC 7.125 05/15/15 375,000 374,704 378,994 Leucadia National Corporation 7.000 08/15/13 350,000 356,288 339,500 Liberty Media Corporation 5.700 05/15/13 500,000 475,805 454,066 Lodgenet Entertainment Corporation 9.500 06/15/13 375,000 375,000 399,375 Lyondell Chemical Co. 9.500 12/15/08 265,000 258,511 272,288 M G M Mirage, Inc. 6.000 10/01/09 225,000 227,300 218,813 Mac-Gray Corporation 7.625 08/15/15 300,000 300,000 303,000 Magnachip Semiconductor 8.000 12/15/14 50,000 50,000 41,500 Majestic Star Casino LLC 9.500 10/15/10 250,000 250,000 261,875 Manitowoc Company, Inc. 7.125 11/01/13 100,000 100,000 98,000 Markwest Energy Operating Co. 6.875 11/01/14 250,000 250,000 230,000 Mediacom LLC 9.500 01/15/13 750,000 745,723 746,250 Metaldyne Corporation 10.000 11/01/13 340,000 341,977 328,950 Moog, Inc. 6.250 01/15/15 60,000 60,000 56,400 N R G Energy, Inc. 7.375 02/01/16 100,000 100,000 97,500 Nalco Co. 7.750 11/15/11 250,000 250,000 249,375

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONT.) MASSMUTUAL PARTICIPATION INVESTORS
June 30, 2006 (Unaudited) Interest Due Principal CORPORATE PUBLIC SECURITIES (A) (CONTINUED) Rate
Date Amount Cost Market Value

BONDS,

CONTINUED National Wine & Spirits, Inc. 10.125 01/15/09 \$ 25,000 \$ 25,283 \$ 25,000 Nextel Communications, Inc. 7.375 08/01/15 400,000 409,377 407,151 North American Energy Partners 8.750 12/01/11 200,000 200,000 192,000 Nova Chemicals Corporation (C) 8.405 11/15/13 215,000 215,000 213,388 O E D Corp/Diamond Jo

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Company Guarantee 8.750 04/15/12 500,000 492,980 503,125 Offshore Logistics, Inc. 6.125 06/15/13 350,000 350,000 322,875 P Q Corporation 7.750 02/15/13 685,000 677,350 643,900 Pacific Energy Partners 7.125 06/15/14 250,000 251,953 252,500 Pacific Energy Partners 6.250 09/15/15 100,000 99,544 97,000 Pinnacle Foods Group 8.250 12/01/13 225,000 225,000 221,063 Pliant Corporation 11.625 06/15/09 607,802 619,825 657,946 Primedia, Inc. 8.000 05/15/13 500,000 513,690 447,500 Quicksilver Resources, Inc. 7.125 04/01/16 225,000 225,000 210,938 Rent-A-Center, Inc. 7.500 05/01/10 250,000 250,000 248,750 Rent-Way, Inc. 11.875 06/15/10 450,000 466,571 462,931 Rock-Tenn Co. 8.200 08/15/11 500,000 503,539 500,000 Rogers Wireless, Inc. 7.250 12/15/12 90,000 90,000 90,675 Rogers Wireless, Inc. 7.500 03/15/15 560,000 600,328 565,600 Rogers Wireless, Inc. 8.000 12/15/12 90,000 90,000 92,025 Samsonite Corporation 8.875 06/01/11 500,000 523,249 518,750 Sheridan Acquisition Corporation 10.250 08/15/11 225,000 222,001 228,656 Sierra Pacific Resources 6.750 08/15/17 330,000 331,618 311,791 Tekni-Plex, Inc. 12.750 06/15/10 500,000 483,500 352,500 Telex Communications, Inc. 11.500 10/15/08 250,000 250,000 263,750 Tenet Healthcare Corporation 6.375 12/01/11 250,000 241,250 223,125 Tenet Healthcare Corporation 9.875 07/01/14 350,000 341,859 350,000 Texas Industries, Inc. 7.250 07/15/13 35,000 35,000 34,650 Transmontaigne, Inc. 9.125 06/01/10 275,000 270,288 292,875 Triton P C S, Inc. 8.500 06/01/13 500,000 500,000 458,750 Tyco International Group SA 6.375 10/15/11 150,000 148,500 153,057 Unisys Corporation 8.000 10/15/12 90,000 90,000 83,700 United Components, Inc. 9.375 06/15/13 535,000 536,395 526,975 United Rentals, Inc. 7.750 11/15/13 325,000 325,000 308,750 Universal City Florida (C) 9.899 05/01/10 100,000 100,000 103,250 Universal City Florida 8.375 05/01/10 100,000 100,000 100,500 Utilicorp United, Inc. (C) 9.950 02/01/11 25,000 27,130 28,140 Vicorp Restaurants, Inc. 10.500 04/15/11 225,000 220,135 200,250 Vought Aircraft Industries 8.000 07/15/11 650,000 648,891 588,250 Warner Music Group 7.375 04/15/14 125,000 125,000 121,250 Wornick Co. 10.875 07/15/11 350,000 350,000 352,625 ----- TOTAL BONDS 29,019,015 28,470,087 -----

25 CONSOLIDATED SCHEDULE OF INVESTMENTS (CONT.) MASSMUTUAL PARTICIPATION INVESTORS June 30, 2006 (Unaudited) Shares or Interest Due Principal CORPORATE PUBLIC SECURITIES (A) (CONTINUED) Rate Date Amount Cost Market Value

COMMON STOCK - 0.41% Aventine Renewable Energy (B) 200 \$ 8,600 \$ 7,780 Basin Water, Inc. (B) 1,100 13,200 11,022 Distributed Energy Systems Corporation (B) 14,000 177,078 72,380 Dyncorp International, Inc. (B) 4,000 60,000 41,520 Gmarket, Inc. (B) 200 3,050 3,074 J Crew Group, Inc. (B) 2,100 42,000 57,645 Rent-Way, Inc. (B) 46,432 458,123 342,668 Theravance, Inc. (B) 3 23 69 ----- TOTAL COMMON STOCK 762,074 536,158 ----- CONVERTIBLE BONDS - 0.64% Citadel Broadcasting Corporation 1.875% 02/15/11 \$ 300,000 \$ 232,875 \$ 246,000 ICOS Corporation 2.000 07/01/23 375,000 298,125 306,563 Q L T, Inc. 3.000 09/15/23 305,000 277,410 275,263 ----- TOTAL CONVERTIBLE BONDS 808,410 827,826 ----- TOTAL CORPORATE PUBLIC SECURITIES \$ 30,589,499 \$ 29,834,071 ----- Interest Due Principal Short-Term Securities: Rate/Yield Date Amount Cost Market Value

COMMERCIAL PAPER - 7.08% Cadbury Schweppes Finance PLC 5.356% 07/03/06 \$ 1,569,000 \$ 1,568,534 \$ 1,568,534 Centex Corporation 5.743 07/11/06 1,380,000 1,377,922 1,377,922 DaimlerChrysler NA Holding Corporation 5.406 07/06/06 1,222,000 1,221,084 1,221,084 Dow Jones & Company, Inc. 5.408 07/10/06 535,000 534,278 534,278 General Mills, Inc. 5.406 07/07/06 2,500,000 2,497,750 2,497,750 Textron Financial Corporation 5.356 07/05/06 2,000,000 1,998,810 1,998,810 ----- TOTAL SHORT-TERM SECURITIES \$ 9,198,378 \$ 9,198,378 ----- TOTAL INVESTMENTS 105.10% \$135,810,927 \$136,564,574

===== Other Assets 5.07 6,581,646 Liabilities (10.17) (13,213,287) ----- TOTAL NET ASSETS 100.00% \$129,932,933 ===== (A) In each of the convertible note, warrant, convertible preferred and common stock investments, the issuer has agreed to provide certain registration rights. (B) Non-income producing security. (C) Variable rate security; rate indicated is as of 06/30/06. (D) Defaulted security; interest not accrued. SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONT.) MASSMUTUAL PARTICIPATION INVESTORS June 30, 2006 (Unaudited) Fair Value/ Fair Value/ Industry Classification: Market Value Market Value ----- AEROSPACE -

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2.35% BUILDINGS & REAL ESTATE - 1.57% Argo Tech Corporation \$ 437,750 Adorn, Inc. \$ 1,402,171
Bombardier, Inc. 435,000 Texas Industries, Inc. 34,650 Consolidated Foundries Holdings 1,372,116 TruStile Doors,
Inc. 597,045 Dyncorp International, Inc. 41,520 ----- Esterline Technologies 177,188 2,033,866 Vought Aircraft
Industries 588,250 ----- CHEMICAL, PLASTICS & RUBBER - 1.17% 3,051,824 Capital Specialty
Plastics, Inc. 27,704 ----- Huntsman LLC 180,115 AUTOMOBILE - 8.06% Koppers, Inc. 182,325 Gencorp, Inc.
138,125 Lyondell Chemical Co. 272,288 Goodyear Tire & Rubber Co. 324,625 Nova Chemicals Corporation 213,388
Jason, Inc. 1,049,408 P Q Corporation 643,900 LIH Investors, L.P. 2,415,343 ----- Metaldyne Corporation
328,950 1,519,720 Nyloncraft, Inc. 1,408,687 ----- Ontario Drive & Gear Ltd. 1,294,782 CONSUMER
PRODUCTS - 9.00% Qualis Automotive LLC 1,664,908 Appleton Papers, Inc. 252,500 Transtar Holding Company
1,325,420 Augusta Sportswear Holding Co. 1,521,520 United Components, Inc. 526,975 Bravo Sports Holding
Corporation 1,312,822 ----- Euro-Pro Corporation 180,857 10,477,223 Flutes, Inc. 872,358 ----- G F S I,
Inc. 354,375 BEVERAGE, DRUG & FOOD - 4.22% K 2, Inc. 144,000 Beta Brands Ltd. -- K N B Holdings
Corporation 1,314,511 Cains Foods, L.P. 161,905 Maverick Acquisition Company 601,151 Del Monte Corporation
206,000 Royal Baths Manufacturing Company 595,829 Dominos Pizza, Inc. 113,088 Savage Sports Holding, Inc.
1,107,983 Eagle Pack Pet Foods, Inc. 847,424 The Tranzonic Companies 1,890,806 National Wine & Spirits, Inc.
25,000 Walls Industries, Inc. 1,540,485 Nonni's Food Company 1,158,331 Winslow Furniture, Inc. -- Pinnacle Foods
Group 221,063 ----- River Ranch Fresh Foods LLC 877,500 11,689,197 Specialty Foods Group, Inc. --
----- Vicorp Restaurants, Inc. 200,250 CONTAINERS, PACKAGING & GLASS - 4.41% Vitality Foodservice,
Inc. 1,324,981 NABCO, Inc. 646,979 Wornick Co. 352,625 P I I Holding Corporation 1,355,645 ----- Packaging
Corporation of America 350,000 5,488,167 Paradigm Packaging, Inc. 1,240,252 ----- Pliant Corporation
657,946 BROADCASTING & Tekni-Plex, Inc. 352,500 ENTERTAINMENT - 2.36% Vitex Packaging, Inc.
1,124,163 C S C Holdings, Inc. 250,000 ----- Cablevision Systems Corporation 477,000 5,727,485 Charter
Communications Op LLC 497,500 ----- Citadel Broadcasting Corporation 246,000 DISTRIBUTION - 2.95%
Liberty Media Corporation 454,066 Corvest Group, Inc. 511,359 Lodgenet Entertainment Corporation 399,375 Kele
and Associates, Inc. 1,408,628 Mediacom LLC 746,250 O R S Nasco Holding, Inc. 1,308,306 ----- QualServ
Corporation 601,485 3,070,191 Strategic Equipment & Supply Corporation, Inc. -- ----- 3,829,778

27 CONSOLIDATED SCHEDULE OF INVESTMENTS (CONT.) MASSMUTUAL PARTICIPATION

INVESTORS June 30, 2006 (Unaudited) Fair Value/ Fair Value/ Industry Classification: (Cont.) Market Value
Market Value -----

DIVERSIFIED/CONGLOMERATE, FINANCIAL SERVICES - 2.79% MANUFACTURING - 8.52% BCP Crystal
US Holding Corporation \$ 385,175 AmerCable, Inc. \$ 750,955 Dollar Financial Group 349,375 Arrow Tru-Line
Holdings, Inc. 1,302,314 East River Ventures I, L.P. 2,027 Coining Corporation of America LLC 1,105,201 Ford
Motor Credit Co. 1,150,188 Dexter Magnetics Technologies, Inc. 642,592 General Motors Acceptance Corporation
718,953 Douglas Dynamics LLC 308,750 Highgate Capital LLC 737 Evans Consoles, Inc. -- Lazard LLC 378,994 H
M Holding Company 1,296,387 Leucadia National Corporation 339,500 Justrite Manufacturing Acquisition Co.
814,488 T C W Leveraged Income Trust, L.P. 298,524 Magnatech International, Inc. 1,010,980 Victory Ventures
LLC 2 Radiac Abrasives, Inc. 1,302,572 ----- Rock-Tenn Co. 500,000 3,623,475 Truck Bodies & Equipment
International 1,883,272 ----- Tyco International Group SA 153,057 HEALTHCARE, EDUCATION -----
& CHILDCARE - 4.28% 11,070,568 A T I Acquisition Company 995,949 ----- American Hospice Management
Holding LLC 1,404,007 DIVERSIFIED/CONGLOMERATE, F H S Holdings LLC 1,391,961 SERVICE - 7.58%
ICOS Corporation 306,563 Abitibi-Consolidated, Inc. 458,750 Interactive Health LLC 397,485 Allied Waste NA
500,000 MedAssist, Inc. 212,158 CapeSuccess LLC 2,512 Q L T, Inc. 275,263 Chemed Corporation 630,000 Tenet
Healthcare Corporation 573,125 Diversco, Inc./DHI Holdings, Inc. 1,252,858 Theravance, Inc. 69 Dwyer Group, Inc.
1,487,856 ----- Fowler Holding, Inc. 1,298,107 5,556,580 Gmarket, Inc. 3,074 ----- Interline Brands, Inc.
149,625 HOME & OFFICE FURNISHINGS, Keystone North America, Inc. 172,376 HOUSEWARES, AND
DURABLE Mac-Gray Corporation 303,000 CONSUMER PRODUCTS - 4.08% Moss, Inc. 970,251 Connor Sport
Court International, Inc. 954,507 Service Corporation International 467,500 Home Decor Holding Company
1,233,924 U S M Holdings Corporation 1,951,920 Monessen Holding Corporation 1,315,808 Universal City Florida
203,750 Samsonite Corporation 518,750 ----- U-Line Corporation 1,284,028 9,851,579 -----
5,307,017 ELECTRONICS - 3.00% ----- A E S Corporation 642,875 LEISURE, AMUSEMENT, Arrow

Electronics, Inc. 503,020 ENTERTAINMENT - 2.70% Directed Electronics, Inc. 1,797,881 IMAX Corporation 512,500 Distributed Energy Systems 72,380 Intrawest Corporation 248,750 Electronic Data Systems Corporation 516,375 Keepsake Quilting, Inc. 656,287 Siebe PLC 358,552 M G M Mirage, Inc. 218,813 ----- Majestic Star Casino LLC 261,875 3,891,083 O E D Corp/Diamond Jo Company Guarantee 503,125 ----- Overton's Holding Company 988,749 FARMING & AGRICULTURE - 0.00% Warner Music Group 121,250 Protein Genetics, Inc. -- ----- 3,511,349 -----

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONT.) MASSMUTUAL PARTICIPATION INVESTORS
June 30, 2006 (Unaudited) Fair Value/ Fair Value/ Industry Classification: (Cont.) Market Value Market Value

----- MACHINERY - 6.78% PHARMACEUTICALS - 1.05% Basin Water, Inc. \$ 11,022 CorePharma LLC \$ 1,313,435 C & M Conveyor, Inc. 1,498,194 Enzymatic Therapy, Inc. 56,250 Integration Technology Systems, Inc. 711,753 ----- Manitowoc Company, Inc. 98,000 1,369,685 Maxon Corporation 1,854,814 ----- Safety Speed Cut Manufacturing Company, Inc. 1,253,524 PUBLISHING/PRINTING - 1.19% Stewart & Stevenson LLC 100,375 Cadmus Communications Corporation 346,500 Synventive Equity LLC 17,714 Houghton Mifflin Co. 518,750 Tronair, Inc. 1,851,240 Primedia, Inc. 447,500 Tubular Textile Machinery 1,417,550 Sheridan Acquisition Corporation 228,656 ----- 8,814,186 1,541,406 ----- MEDICAL DEVICES/BIOTECH - 3.46% RETAIL STORES - 4.67% Beacon Medical Products, Inc. 1,508,809 Blockbuster, Inc. 256,438 Coeur, Inc. 723,478 J Crew Group, Inc. 57,645 E X C Acquisition Corporation 78,808 Neff Motivation, Inc. 687,609 MicroGroup, Inc. 1,325,770 Neiman Marcus Group, Inc. 637,500 OakRiver Technology, Inc. 864,993 Olympic Sales, Inc. 2,488,047 ----- Rent-A-Center, Inc. 248,750 4,501,858 Rent-Way, Inc. 805,599 ----- TVI, Inc. 579,375 MINING, STEEL, IRON & United Rentals, Inc. 308,750 NON PRECIOUS METALS - 0.04% ----- U S S Holdings, Inc. 54,525 6,069,713 ----- OIL AND GAS - 4.80% TECHNOLOGY - 0.16% Aventine Renewable Energy 7,780 Magnachip Semiconductor 41,500 Basic Energy Services 116,250 Sungard Data Systems 77,813 C & J Spec-Rent Services, Inc. 2,176,402 Unisys Corporation 83,700 Chesapeake Energy Corporation 628,875 ----- Clayton Williams Energy, Inc. 345,000 203,013 Fuel Systems Holding Corporation 1,303,302 ----- GulfMark Offshore, Inc. 292,500 TELECOMMUNICATIONS - 3.13% North American Energy Partners 192,000 Cincinnati Bell, Inc. 541,750 Offshore Logistics, Inc. 322,875 Intelsat Subsidiary Holding Company Ltd. 227,250 Pacific Energy Partners 349,500 ITC^DeltaCom, Inc. 1,422,988 Quicksilver Resources, Inc. 210,938 Nextel Communications, Inc. 407,151 Transmontaigne, Inc. 292,875 Rogers Wireless, Inc. 748,300 ----- Telex Communications, Inc. 263,750 6,238,297 Triton P C S, Inc. 458,750 ----- 4,069,939 ----- TRANSPORTATION - 1.05% Tangent Rail Corporation 1,363,111 -----

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CONSOLIDATED SCHEDULE OF INVESTMENTS (CONT.) MASSMUTUAL PARTICIPATION INVESTORS
June 30, 2006 (Unaudited) Fair Value/ Industry Classification: (Cont.) Market Value

----- UTILITIES - 1.53% Atlas Pipeline Partners \$ 99,625 Dynegy Holdings, Inc. 162,525 Edison Mission Energy 230,888 Inergy LP 75,750 Markwest Energy Operating Co. 230,000 Moog, Inc. 56,400 N R G Energy, Inc. 97,500 Nalco Co. 249,375 Petrohawk Energy Corporation 271,521 Sierra Pacific Resources 311,791 Tenaska Alabama Partners L.P. 176,199 Utilicorp United, Inc. 28,140 ----- 1,989,714 ----- WASTE MANAGEMENT / POLLUTION - 1.12% Terra Renewal Services, Inc. 1,451,647 ----- TOTAL CORPORATE RESTRICTED AND PUBLIC SECURITIES - 98.02% \$127,366,196 ===== SEE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MASSMUTUAL PARTICIPATION INVESTORS (UNAUDITED) 1. HISTORY MassMutual Participation Investors (the "Trust") was organized as a Massachusetts business trust under the laws of the Commonwealth of Massachusetts pursuant to a Declaration of Trust dated April 7, 1988. The Trust is a diversified closed-end management investment company. Babson Capital Management LLC ("Babson Capital"), a wholly-owned indirect subsidiary of Massachusetts Mutual Life Insurance Company ("MassMutual"), acts as its investment adviser. The Trust's investment objective is to maximize total return by providing a high level of current income, the potential for growth of such income, and capital appreciation, by investing primarily in a portfolio of privately placed below investment grade, long-term corporate debt obligations

purchased directly from their issuers, at least half of which normally will include equity features. On January 27, 1998, the Board of Trustees authorized the formation of a wholly owned subsidiary of the Trust ("MMPI Subsidiary Trust") for the purpose of holding certain investments. The results of the MMPI Subsidiary Trust are consolidated in the accompanying financial statements. Footnote 2.D below discusses the federal tax consequences of the MMPI Subsidiary Trust.

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

A. VALUATION OF INVESTMENTS: Valuation of a security in the Trust's portfolio is made on the basis of market price whenever market quotations are readily available and all securities of the same class held by the Trust can be readily sold in such market. Nearly all securities which are acquired by the Trust directly from the issuers and shares into which such securities may be converted or which may be purchased on the exercise of warrants attached to such securities will be subject to legal or contractual delays in, or restrictions on, resale and will therefore be "restricted securities". Generally speaking, as contrasted with open-market sales of unrestricted securities, which may be effected immediately if the market is adequate, absent an exemption from registration, restricted securities can be sold only in a public offering for which a registration statement is in effect under the Securities Act of 1933, as amended (the "1933 Act"). The value of restricted securities, and of any other assets for which there are no reliable market quotations, is the fair value as determined in good faith by the Trust's Board of Trustees (the "Trustees"). Each restricted security is valued by the Trustees as of the time of its acquisition and at least quarterly thereafter. The Trustees have established guidelines to aid in the valuation of each security. Generally, restricted securities are initially valued at cost or less at the time of acquisition by the Trust. Values greater or less than cost are thereafter used for restricted securities in appropriate circumstances. Among the factors ordinarily considered are the existence of restrictions upon the sale of a security held by the Trust; an estimate of the existence and the extent of a market for the security; the extent of any discount at which the security was acquired; the estimated period of time during which the security will not be freely marketable; the estimated expenses of registering or otherwise qualifying the security for public sale; estimated underwriting commissions if underwriting would be required to effect a sale; in the case of a convertible security, whether or not it would trade on the basis of its stock equivalent; in the case of a debt obligation which would trade independently of any equity equivalent, the current yields on comparable securities; the estimated amount of the floating supply of such securities available for purchase; the proportion of the issue held by the Trust; changes in the financial condition and prospects of the issuer; the existence of merger proposals or tender offers affecting the issuer; and any other factors affecting fair value, all in accordance with the Investment Company Act of 1940, as amended (the "1940 Act"). In making valuations, opinions of counsel may be relied upon as to whether or not securities are restricted securities and as to the legal requirements for public sale. When market quotations are readily available for unrestricted securities of an issuer, restricted securities of the same class are generally valued at a discount from the market price of such unrestricted securities. The Trustees, however, consider all factors in fixing any discount, including the filing of a registration statement for such securities under the 1933 Act and any other developments which are likely to increase the probability that the securities may be publicly sold by the Trust without restriction. The Trustees meet at least once each quarter to value the Trust's portfolio securities as of the close of business on the last business day of the preceding quarter. This valuation requires the approval of a majority of the Trustees of the Trust, including a majority of the Trustees who are not interested persons of the Trust or of Babson Capital, the Trust's investment adviser. In making valuations, the Trustees will consider Babson Capital's reports analyzing each portfolio security in accordance with the relevant factors referred to above. Babson Capital has agreed to provide such reports to the Trust at least quarterly. The consolidated financial statements include private placement restricted securities valued at \$91,548,868 (70.46% of net assets) as of June 30, 2006 whose values have been determined by the Trustees in the absence of readily ascertainable

----- 31 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MASSMUTUAL PARTICIPATION INVESTORS (UNAUDITED) market values. Due to the inherent uncertainty of valuation, those values may differ significantly from the values that would have been used had a ready market for the securities existed, and the differences could be material. The values for corporate public securities are stated at the last reported sales price or at prices based upon quotations obtained from brokers and dealers as of June 30, 2006, subject to discount where appropriate, and are approved by the Trustees. Short-term securities with more than sixty days to maturity are valued at fair value and short-term securities having a maturity of

sixty days or less are valued at amortized cost, which approximates market value. B. ACCOUNTING FOR INVESTMENTS: Investment transactions are accounted for on the trade date. Dividend income is recorded on the ex-dividend date. Interest income is recorded on the accrual basis including the amortization of premiums and accretion of discount on bonds held. The Trust does not accrue income when payment is delinquent and when management believes payment is questionable. Realized gains and losses on investment transactions and unrealized appreciation and depreciation of investments are reported for financial statement and federal income tax purposes on the identified cost method. C. USE OF ESTIMATES: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. D. FEDERAL INCOME TAXES: The Trust has elected to be taxed as a "regulated investment company" under the Internal Revenue Code, and intends to maintain this qualification, and to distribute substantially all of its net taxable income to its shareholders. In any year when net long-term capital gains are realized by the Trust, management, after evaluating the prevailing economic conditions, will recommend that Trustees either designate the net realized longterm gains as undistributed and pay the federal capital gains taxes thereon, or distribute all or a portion of such net gains. The Trust is taxed as a regulated investment company and is therefore limited as to the amount of non-qualified income that it may receive as the result of operating a trade or business, e.g. the Trust's PRO RATA share of income allocable to the Trust by a partnership operating company. The Trust's violation of this limitation could result in the loss of its status as a regulated investment company, thereby subjecting all of its net income and capital gains to corporate taxes prior to distribution to its shareholders. The Trust, from time-to-time, identifies investment opportunities in the securities of entities that could cause such trade or business income to be allocable to the Trust. The MMPI Subsidiary Trust (described in Footnote 1, above) was formed in order to allow investment in such securities without adversely affecting the Trust's status as a regulated investment company. The MMPI Subsidiary Trust is not taxed as a regulated investment company. Accordingly, prior to the Trust's receiving any distributions from the MMPI Subsidiary Trust, all of the MMPI Subsidiary Trust's taxable income and realized gains, including non-qualified income and realized gains, is subject to taxation at prevailing corporate tax rates. For the six months ended June 30, 2006, the MMPI Subsidiary Trust has accrued tax expense on net realized gains of \$177,888 and reduced accrued deferred tax expenses on net unrealized gains by \$59,081. E. DISTRIBUTIONS TO SHAREHOLDERS: The Trust records distributions to shareholders from net investment income and net realized gains, if any, on the ex-dividend date. The Trust's net investment income dividend is declared four times per year, in April, July, October, and December. The Trust's net realized capital gain distribution, if any, is declared in December. 3. INVESTMENT ADVISORY AND ADMINISTRATIVE SERVICES FEE A. SERVICES: Under an Investment Advisory and Administrative Services Contract (the "Contract") with the Trust, Babson Capital has agreed to use its best efforts to present to the Trust a continuing and suitable investment program consistent with the investment objectives and policies of the Trust. Babson Capital represents the Trust in any negotiations with issuers, investment banking firms, securities brokers or dealers and other institutions or investors relating to the Trust's investments. Under the Contract, Babson Capital provides administration of the day-to-day operations of the Trust and provides the Trust with office space and office equipment, accounting and bookkeeping services, and necessary executive, clerical and secretarial personnel for the performance of the foregoing services. B. FEE: For its services under the Contract, Babson Capital is paid a quarterly Investment Advisory fee equal to .225% of the value of the Trust's net assets as of the last business day of each fiscal quarter, an amount approximately equivalent to .90% on an annual basis. A majority of the Trustees, including a majority of the Trustees who are not interested persons of the Trust or of Babson Capital, approve the valuation of the Trust's net assets as of such day.

----- 32 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MASSMUTUAL PARTICIPATION INVESTORS (CONTINUED) C. BASIS FOR BOARD RENEWAL OF CONTRACT: At a meeting of the Board of Trustees of the Trust held on April 21, 2006, the Board of Trustees (including a majority of the Trustees who are not "interested persons" of the Trust or Babson Capital) unanimously approved a one year continuance of the Contract, dated October 7, 1988. Prior to the meeting, the Board of Trustees requested and received from Ropes & Gray LLP ("Ropes & Gray"), counsel to the Trust, a memorandum describing the Board of Trustees' legal responsibilities in connection with its review and reapproval of the Contract. The Board of Trustees also requested and received from Babson Capital extensive written and oral information

regarding: the principal terms of the Contract; the reasons why Babson Capital was proposing the continuance of the Contract; Babson Capital and its personnel; the Trust's investment performance, including comparative performance information; the nature and quality of the services provided by Babson Capital to the Trust; financial strength of Babson Capital; the fee arrangements; fee and expense information, including comparative fee and expense information; profitability of the advisory arrangement to Babson Capital; and "fallout" benefits to Babson Capital resulting from the Contract as well as certain possible conflicts. Among other things, the Trustees discussed and considered with management i) the aforementioned guidance provided by Ropes & Gray and the information provided by Babson Capital prior to the meeting and (ii) the reasons Babson Capital put forth in support of its recommendation that the Trustees approve the continuance of the Contract. These reasons are summarized below.

NATURE, EXTENT AND QUALITY OF SERVICES TO BE PROVIDED BY BABSON CAPITAL In evaluating the scope and quality of the services provided by Babson Capital, the Trustees considered, among other factors: (i) the scope of services required to be provided by Babson Capital under the Contract; (ii) Babson Capital's ability to find and negotiate private placement securities having equity features; (iii) the experience and quality of Babson Capital's staff; (iv) the strength of Babson Capital's financial condition; (v) the nature of the private placement market compared to public markets (including the fact that finding, analyzing, negotiating and servicing private placement securities is more labor-intensive than buying and selling public securities and the administration of private placement securities is more extensive, expensive, and requires greater time and expertise than a portfolio of only public securities); (vi) the Trust's ability to co-invest in negotiated private placements with MassMutual; and (vii) the expansion of the scope of services provided by Babson Capital as a result of recent regulatory and legislative initiatives that have required increased legal, compliance and business attention and diligence. Based on such considerations, the Board of Trustees concluded that, overall, they are satisfied with the nature, extent and quality of services provided, and expected to be provided in the future, under the renewed Contract.

INVESTMENT PERFORMANCE The Board also examined the Trust's short-term, intermediate-term, and long-term performance as compared against appropriate benchmark indices presented at the meeting, which showed that the Trust had outperformed such indices for the 1, 3, 5, and 10-year periods. In addition, the Trustees considered comparisons of the Trust's performance with the performance of (i) selected closed-end investment companies and funds that may invest in private placement securities and/or bank loans; (ii) selected business development companies with comparable types of investments; and (iii) investment companies included in the Lipper closed-end bond universe. It was acknowledged that, while such comparisons are helpful in judging performance, they are not directly comparable in terms of types of investments and due to the fact that the business development companies often reported returns based on market value, which is affected by factors other than the performance of the underlying portfolio investments. Based on these considerations and the detailed performance information provided to the Trustees at the regular Board meetings each quarter, the Trustees concluded that the Trust's absolute and relative performance over time have been sufficient to warrant re-approval of the Contract.

ADVISORY FEE/COST OF SERVICES PROVIDED AND PROFITABILITY/ MANAGER'S "FALL-OUT" BENEFITS In connection with the Trustees' consideration of the advisory fee paid by the Trust to Babson Capital under the Contract, Babson Capital noted that it was unaware of any closed-end investment companies that are directly comparable to the Trust in terms of the types of investments and percentages invested in private placement securities (which require more extensive advisory and administrative services than a portfolio of publicly traded securities, as previously discussed) other than MassMutual Corporate Investors ("Corporate Investors"), which also is advised by Babson Capital. Under the terms of a new investment services contract, effective October 1, 2005, Corporate Investors is charged a quarterly investment advisory fee of 0.3125% of net asset value as of the end of each quarter, which is approximately equal to 1.25% annually, with no performance adjustment. The new Corporate Investors' contract provides that for its first eighteen months, the investment advisory fee cannot exceed the amount that Corporate Investors would have paid under its prior contract. Under the prior contract Corporate Investors paid Babson Capital a quarterly advisory fee equal to 5/16 of 1% of Corporate Investors' NAV (an amount equivalent to 1.25% on an annual basis) subject to a quarterly performance adjustment of 1/16 of 1% (approximately equal to .25% on an annual basis). In considering the fee rate provided in the Contract, the Trustees noted the Trust's different investment objectives between the Trust and Corporate Investors and the advisory fee charged by Tower Square Capital Partners, L.P and Tower Square Capital Partners II, L.P., both private mez-

----- 33 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MASSMUTUAL PARTICIPATION INVESTORS (CONTINUED) zanine funds managed by

Babson Capital. At the request of the Trustees, Babson Capital also provided information concerning the profitability of Babson Capital's advisory relationship with the Trust. The Board also considered the non-economic benefits Babson Capital and its affiliates derived from its relationship with the Trust, including the reputational benefits derived from having the Trust listed on the New York Stock Exchange, and the de minimis amount of commissions resulting from the Trust's portfolio transactions used by Babson Capital for third-party soft dollar arrangements (less than \$1,000). The Trustees recognized that Babson Capital should be entitled to earn a reasonable level of profit for services provided to the Trust and, based on their review, concluded that they were satisfied that Babson Capital's historical level of profitability from its relationship with the Trust was not excessive and that the advisory fee structure under the Contract is reasonable.

ECONOMIES OF SCALE The Trustees considered the concept of economies of scale and possible advisory fee reductions if the Trust were to grow in assets. Given that the Trust is not continuously offering shares, such growth comes principally from retained net realized gain on investments and dividend reinvestment. The Trustees also examined the scale down features of selected competitive funds and noted that the minimum starting point for fee reductions in those funds was at least \$200 million whereas the Trust's current net assets are near \$100 million. The Trustees concluded that the absence of breakpoints in the fee schedule under the Contract was acceptable given the Trust's size and circumstances.

4. SENIOR SECURED INDEBTEDNESS

A. NOTE PAYABLE: MassMutual holds the Trust's \$12,000,000 Senior Fixed Rate Convertible Note (the "Note") issued by the Trust in 1995. The Note, as amended, is due December 13, 2011 and accrues interest at 5.80% per annum. MassMutual, at its option, can convert the principal amount of the Note into common shares. The dollar amount of principal would be converted into an equivalent dollar amount of common shares based upon the average price of the common shares for ten business days prior to the notice of conversion. For the six months ended June 30, 2006, the Trust incurred total interest expense on the Note of \$348,000. The Trust may redeem the Note, in whole or in part, at the principal amount proposed to be redeemed together with the accrued and unpaid interest thereon through the redemption date plus a Make Whole Premium. The Make Whole Premium equals the excess of (i) the present value of the scheduled payments of principal and interest which the Trust would have paid but for the proposed redemption, discounted at the rate of interest of U.S. Treasury obligations whose maturity approximates that of the Note plus 0.50% over (ii) the principal of the Note proposed to be redeemed.

B. REVOLVING CREDIT AGREEMENT: The Trust entered into a \$15,000,000 Revolving Credit Agreement with Bank of America (formerly Fleet National Bank) (the "Agent Bank") dated May 29, 1997, which had a stated maturity date of May 31, 2004. The maturity date of this loan was extended to May 31, 2007, and its terms amended and restated pursuant to the First Amended and Restated Revolving Credit Agreement (the "Revolver") dated May 27, 2004, between the Trust and the Agent Bank. The Revolver bears interest payable quarterly in arrears at a per annum rate that varies depending upon whether the Trust requests a Base Rate Loan or LIBOR Rate Loan. Interest on Base Rate loans equals the higher of: (i) the annual "Base Rate" as set periodically by the Agent Bank and (ii) the most recent Federal Funds Effective Rate plus .50% per annum. Per annum interest on LIBOR Rate Loans equals .60% plus the London Inter Bank Offered Rate ("LIBOR") rate, divided by 1 minus LIBOR Reserve Rate. The Trust also incurs expense on the undrawn portion of the total Revolver at a rate of .25% per annum. As of June 30, 2006, there were no outstanding loans against the Revolver. For the six months ended June 30, 2006, the Trust incurred expense on the Revolver of \$18,596 related to the undrawn portion.

5. PURCHASES AND SALES OF INVESTMENTS FOR THE SIX MONTHS ENDED 6/30/2006

COST OF PROCEEDS FROM INVESTMENTS SALES OR ACQUIRED MATURITIES -----	
----- Corporate restricted securities	\$ 20,860,404
Corporate public securities	1,991,276
	9,298,255

The aggregate cost of investments is substantially the same for financial reporting and federal income tax purposes as of June 30, 2006. The net unrealized appreciation of investments for financial reporting and federal tax purposes as of June 30, 2006 is \$753,647 and consists of \$12,313,037 appreciation and \$11,559,390 depreciation. Net unrealized appreciation of investments on the Statement of Assets and Liabilities reflects the balance net of a deferred tax accrual of \$116,333 on net unrealized gains in the MMPI Subsidiary Trust.

----- 34 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS MASSMUTUAL PARTICIPATION INVESTORS (CONTINUED)

6. QUARTERLY RESULTS OF INVESTMENT OPERATIONS MARCH 31, 2006

AMOUNT PER SHARE -----			
Investment income	\$ 3,229,245	Net investment income	\$ 2,668,897
			\$ 0.27
Net realized and unrealized gain	\$ 3,988,640		\$ 0.41
on investments (net of taxes)			

JUNE 30, 2006

AMOUNT PER SHARE -----			
Investment income	\$ 3,094,537	Net investment income	\$ 2,530,332
			\$ 0.26
Net realized and unrealized gain	\$ 3,610,163		\$ 0.37
on			

investments (net of taxes) 7. AGGREGATE REMUNERATION PAID TO OFFICERS, TRUSTEES AND THEIR AFFILIATED PERSONS For the six months ended June 30, 2006, the Trust paid its Trustees aggregate remuneration of \$57,375. During the period the Trust did not pay any compensation to any of its Trustees who are "interested persons" (as defined by the 1940 Act) of the Trust. The Trust currently classifies Messrs. Crandall and Joyal as "interested persons" of the Trust. All of the Trust's officers are employees of Babson Capital or MassMutual. Pursuant to the Investment Advisory and Administrative Services Contract, the Trust does not compensate its officers who are employees of Babson Capital or MassMutual. Mr. Crandall, one of the Trust's Trustees was an "affiliated person" (as defined by the 1940 Act) of MassMutual and Babson Capital. The Trust did not make any payments to Babson Capital for the six months ended June 30, 2006, other than amounts payable to Babson Capital pursuant to the Contract. For the six months ended June 30, 2006, the Trust paid the following amounts to MassMutual, exclusive of interest expense on the Note explained in Footnote 4.A: Preparation of the Trust's Quarterly and Annual Reports to Shareholders \$ 7,078 Preparation of Certain of the Trust's Shareholder Communications 208 Preparation of the Trust's Annual Proxy Statements 241 ----- \$ 7,527 ===== 8. RESULTS OF SHAREHOLDER MEETING The Annual Meeting of Shareholders was held on Friday, April 21, 2006. The Shareholders voted to elect Roger W. Crandall and Martin T. Hart as trustees, each for a three-year term. The Trust's other trustees (Donald E. Benson, Michael H. Brown, Donald Glickman, Robert E. Joyal, Jack A. Laughery and Corine T. Norgaard) continued to serve their respective terms following the April 21, 2006 Annual Shareholders Meeting. The results of the Shareholders' votes are set forth below. TRUSTEE ROGER W. MARTIN T. CRANDALL HART ----- Shares for 8,497,142 8,507,659 Withheld 163,267 152,750 Total 8,660,409 8,660,409 % of Shares Voted for 98.11% 98.24% 9. SUBSEQUENT EVENT At the Board of Trustees' July 18, 2006 quarterly meeting, the Board voted to expand the Board from eight to nine Trustees and appointed William J. Barrett as a Trustee for a three-year term of office.

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

----- DIVIDEND REINVESTMENT AND SHARE PURCHASE PLAN MassMutual Participation Investors offers a Dividend Reinvestment and Cash Purchase Plan. The Plan provides a simple and automatic way for shareholders to add to their holdings in the Trust through the receipt of dividend shares issued by the Trust or through the reinvestment of cash dividends in Trust shares purchased in the open market. The dividends of each shareholder will be automatically reinvested in the Trust by Shareholder Financial Services Inc., the Transfer Agent, in accordance with the Plan, unless such shareholder elects not to participate by providing written notice to the Transfer Agent. A shareholder may terminate his or her participation by notifying the Transfer Agent in writing. Participating shareholders may also make additional contributions to the Plan from their own funds. Such contributions may be made by personal check or other means in an amount not less than \$100 nor more than \$5,000 per quarter. Whenever the Trust declares a dividend payable in cash or shares, the Transfer Agent, acting on behalf of each participating shareholder, will take the dividend in shares only if the net asset value is lower than the market price plus an estimated brokerage commission as of the close of business on the valuation day. The valuation day is the last day preceding the day of dividend payment. When the dividend is to be taken in shares, the number of shares to be received is determined by dividing the cash dividend by the net asset value as of the close of business on the valuation date or, if greater than net asset value, 95% of the closing share price. If the net asset value of the shares is higher than the market value plus an estimated commission, the Transfer Agent, consistent with obtaining the best price and execution, will buy shares on the open market at current prices promptly after the dividend payment date. The reinvestment of dividends does not, in any way, relieve participating shareholders of any federal, state or local tax. For federal income tax purposes, the amount reportable in respect of a dividend received in newly issued shares of the Trust will be the fair market value of the shares received, which will be reportable as ordinary income and/or capital gains. As compensation for its services, the Transfer Agent receives a fee of 5% of any dividend and cash contribution (in no event in excess of \$2.50 per distribution per shareholder.) Any questions regarding the Plan should be addressed to Shareholder Financial Services, Inc., Agent for MassMutual Participation

Investors' Dividend Reinvestment and Cash Purchase Plan, P.O. Box 173673, Denver CO 80217-3673. [LOGO] MASSMUTUAL PARTICIPATION INVESTORS DB1040 806 ITEM 2. CODE OF ETHICS. Not applicable for this filing. ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT. Not applicable for this filing. ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES. Not applicable for this filing. ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS. Not applicable for this filing. ITEM 6. SCHEDULE OF INVESTMENTS Not applicable for this filing. ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED END MANAGEMENT INVESTMENT COMPANIES. Not applicable for this filing. ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES. Not applicable for this filing. There have been no changes in any of the Portfolio Managers identified in the Registrant's most recent annual report on Form N-CSR. ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS. Not Applicable for this filing. ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS. Not Applicable for this filing. ITEM 11. CONTROLS AND PROCEDURES. (a) The principal executive officer and principal financial officer of the Registrant evaluated the effectiveness of the Registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940 (the "Act")) as of a date within 90 days of the filing date of this report and based on that evaluation have concluded that such disclosure controls and procedures are effective to provide reasonable assurance that material information required to be disclosed by the Registrant on Form N-CSR is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. (b) There were no changes in the Registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Act) during the Registrant's second fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Registrant's internal control over financial reporting. ITEM 12. EXHIBITS. (a)(1) ANY CODE OF ETHICS, OR AMENDMENTS THERETO, THAT IS THE SUBJECT OF DISCLOSURE REQUIRED BY ITEM 2, TO THE EXTENT THAT THE REGISTRANT INTENDS TO SATISFY THE ITEM 2 REQUIREMENTS THROUGH THE FILING OF AN EXHIBIT. None. (a)(2) A SEPARATE CERTIFICATION FOR EACH PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER OF THE REGISTRANT AS REQUIRED BY RULE 30a-2 UNDER THE ACT. Attached hereto as EX-99.31.1 Attached hereto as EX-99.31.2 (a)(3) ANY WRITTEN SOLICITATION TO PURCHASE SECURITIES UNDER RULE 23c-1 UNDER THE ACT (17 CFR 270.23c-1) SENT OR GIVEN DURING THE PERIOD COVERED BY THE REPORT BY OR ON BEHALF OF THE REGISTRANT TO 10 OR MORE PERSONS. Not Applicable for this filing. (b) CERTIFICATIONS PURSUANT TO RULE 30a-2(b) UNDER THE ACT. Attached hereto as EX-99.32 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, thereunto duly authorized. (Registrant): MassMutual Participation Investors ----- By: /s/ Clifford M Noreen ----- Clifford M Noreen, President ----- Date: September 5, 2006 ----- 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 dates indicated. By: /s/ Clifford M Noreen ----- Clifford M Noreen, President ----- Date: September 5, 2006 ----- By: /s/ James M. Roy ----- James M. Roy, Vice President, and Chief Financial Officer ----- Date: September 5, 2006 -----