



**2014 Annual Meeting Summary /  
Dividend Notice**

The twenty-sixth Annual Shareholders' Meeting of Babson Capital Participation Investors (the "Trust") was held at 1:00 p.m. on Wednesday, April 16, 2014, in the Oak Room of Massachusetts Mutual Life Insurance Company, 1295 State Street, Springfield, Massachusetts.

Mr. Clifford M. Noreen, Chairman of the Trust, welcomed shareholders to the meeting. Mr. Michael L. Klofas, President of the Trust, conducted the business portion of the meeting. Shareholders of record as of February 18, 2014 considered the proposal outlined in the Trust's Proxy Statement concerning the election of Trustees.

The shareholders elected Michael H. Brown, Barbara M. Ginader and Maleyne M. Syracuse as Trustees each for three-year terms.

Mr. James M. Roy, Vice President and Chief Financial Officer of the Trust, reviewed the operations of the Trust since the last annual shareholders' meeting and provided a review of the market for 2013. Mr. Roy also reviewed the Trust's performance. The Trust's average annual total return (based on change in net asset value and assuming the reinvestment of dividends) was 10.97%, 12.68%, 13.06% and 11.66% for the one-, five-, ten- and fifteen-year periods ended December 31, 2013, respectively.

Next, Mr. Roy reviewed the Trust's quarterly earnings and dividends paid for the year ended December 31, 2013. During the year, the Trust earned net investment income of \$0.998 per share. A review of the dividends paid during 2013 showed that the Trust paid dividends of \$1.080 per share, which included \$0.137 per share from 2012 accumulated undistributed net investment income.

Mr. Roy then discussed the Trust's first quarter 2014 activity. The Trust earned \$0.261 per share of net investment income for the quarter ended March 31, 2014 and realized short-term gains \$0.001 and long-term gains of \$0.042 per share.

Mr. Roy announced that earlier in the day the Trust's Board of Trustees declared a quarterly dividend of \$0.270 per share for the quarter ended March 31, 2014, payable on May 9, 2014 to shareholders of record on April 28, 2014. The Trust had paid a \$0.270 per share dividend for the preceding quarter. The \$0.270 per share dividend for the quarter ended March 31, 2014, consisted of an estimated \$0.214 of 2014 net investment income and an estimated \$0.056 of accumulated undistributed 2013 net investment income.

After a period of questions from shareholders, the meeting adjourned.

May 9, 2014