

Annual	Core Plus		Barclays	Composite	Total	Total Firm	Percentage	# of Portfolios at End of Period
	Annual Returns (gross)	Annual Returns (net)	Capital Aggregate* Annual Returns	Asset- weighted dispersion	Assets (USD\$ MM)	Assets (USD\$ MM)	of Firm Assets	
12/31/2009*	11.80%	11.36%	5.93%	NM	1,524	108,303	1.4%	<=5
12/31/2008	1.03%	0.62%	5.24%	NM	1,250	99,036	1.3%	<=5
12/31/2007	7.25%	6.82%	6.97%	NM	1,187	95,417	1.2%	<=5
12/31/2006	4.95%	4.53%	4.33%	NM	855	88,651	1.0%	<=5
12/31/2005	2.86%	2.42%	2.43%	NM	592	92,049	0.6%	<=5
12/31/2004	5.45%	4.97%	4.34%	NM	347	89,323	0.4%	<=5
12/31/2003	8.99%	8.50%	4.10%	NM	157	81,649	0.2%	<=5
12/31/2002*	8.88%	8.39%	10.25%	NM	62	73,646	0.1%	<=5
12/31/2001*	7.72%	7.23%	8.44%	NM	37	65,340	0.1%	<=5
12/31/2000*	7.98%	7.50%	11.63%	NM	28	60,475	0.1%	<=5

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* Benchmark information and all other information for the periods indicated have not been examined by independent accountants.

NM The asset-weighted dispersion of five or fewer portfolios is not meaningful.

<=5 Five or fewer portfolios

Performance Standards:

Babson Capital Management LLC (the Firm) has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). A complete list and description of Firm composites is available upon request.

Definition of Firm:

The Firm provides investment management and advisory services to both institutional and individual clients. For purposes of compliance with the Global Investment Performance Standards (GIPS®), the Firm defines itself as consisting of the assets that it manages directly, including all accounts managed by the former Investment Management Division of Massachusetts Mutual Life Insurance Company (IM Division), which was consolidated into the Firm on January 1, 2000, and does not include any assets managed by the Firm's other affiliates. Prior to January 1, 2000, total firm assets include only those assets managed by the IM division.

Composite Definition:

The objective of portfolios in this composite is to provide a superior rate of return by investing in a diversified mix of fixed income instruments. Assets may include investment grade and below investment grade public and private bonds, mortgage-backed and asset-backed securities, commercial mortgage loans, fully hedged foreign securities and derivatives. Derivative use within the composite membership incorporates certain options, futures contracts, options on futures contracts, forward contracts, swaps, caps, floors, collars, structured notes, indexed securities, options on indexed securities and other derivative instruments to modify risk exposures, such as Duration, Sector & issuer spread, Term structure, and Volatility. The minimum portfolio value requirement for inclusion in the composite is USD \$5,000,000. The composite was created in June 1999. The name of the composite was changed from the Diversified Bond Composite in January 2004.

Performance Results:

Results reported reflect the deduction of trading expenses but do not reflect the deduction of custodial or other expenses. Results are calculated using a time-weighted total-rate-of-return formula and are expressed in U.S. dollars. The composite is asset-weighted; individual portfolios are valued daily on a trade-date basis and include accrued income. Prior to April 1, 2002, monthly returns were calculated by weighting each portfolio's return by its beginning market value. The composite and benchmark results assume the reinvestment of distributions. Past performance is not a guarantee of future performance. Performance results include all portfolios under the Firm's management that meet the Composite

Definition. A portfolio is included in the composite when it is deemed that the investments made by the investment advisor fully reflect the intended investment strategy. Inclusion will occur by the later of (i) when the portfolio meets the minimum portfolio value for the composite or (ii) the fifth monthly performance measurement period after the assets come under management. Closed portfolios are included through the last full month under management. Valuations are computed and performance results are reported in U.S. dollars.

Benchmark:

The Barclays Capital Aggregate Index (the Index) has been selected as the benchmark for the composite. The Index includes domestic, taxable, dollar-denominated securities. The index covers the U.S. investment-grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. In 2008, Barclays Capital Inc. acquired portions of Lehman Brothers businesses and re-branded its unified family of indices under the "Barclays Capital Indices" name.

Assets and Composite Dispersion:

The asset base used to calculate the composite's percentage of Firm assets includes both discretionary and non-discretionary portfolios managed by the Firm, and also includes non-fee paying portfolios. On January 1, 2000, the Firm's assets under management increased to reflect the consolidation of the IM Division into the Firm. The asset-weighted dispersion calculation measures the deviation of individual portfolio returns around the aggregate composite return. Only portfolios that have been managed for a full annual period have been included in the dispersion calculation for the respective period.

Fees:

Gross performance results do not reflect the deduction of investment advisory fees, which would reduce an investor's actual return. For example, assume that \$1 million is invested in an account with the Firm, and this account achieves a 10% compounded annualized return, gross of fees, for five years. At the end of five years that account would grow to \$1,610,510 before the deduction of management fees. Assuming management fees of 1.00% per year are deducted monthly from the account, the value of the account at the end of five years would be \$1,532,886 and the annualized rate of return would be 8.92%. For a ten-year period, the ending dollar values before and after fees would be \$2,593,742 and \$2,349,739, respectively. The Firm's advisory fees are described in Part II of its Form ADV. Consultants supplied with gross results are to use this data in accordance with SEC guidelines. Net of fee performance results are calculated by deducting the maximum fee charged by the Firm to a new portfolio in the composite from the gross monthly return. The standard management fee per annum for a separately managed account in the composite is 0.40% for the first \$25 million, 0.30% for the next \$25 million, 0.25% for the next \$50 million and 0.20% for the balance.