

MassMutual Participant Report

Q1 2009

Analysis of first quarter account activity suggests that participants continue to save for retirement and most are riding out economic uncertainty without drastic changes. In general, they are still concerned about the economy, want to talk to someone about their plan and are interested in secure investments.

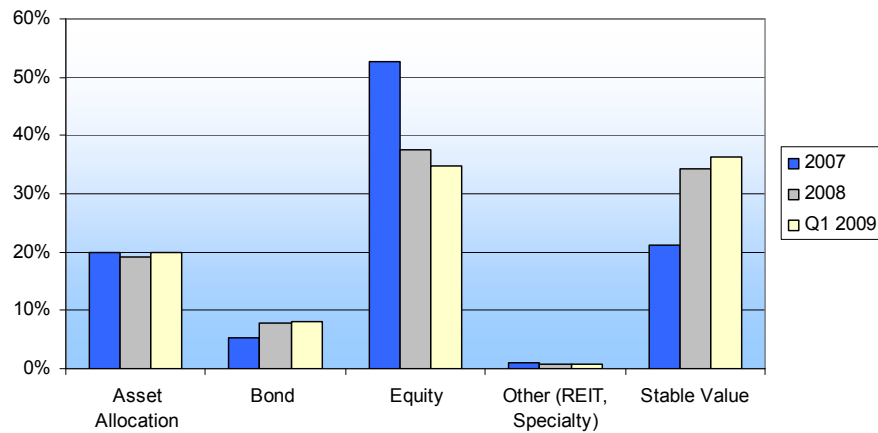
The Market and Participant Balances

Stocks confounded investors again in the first quarter of 2009, continuing the trend of exceptional volatility characterizing the market over the past few quarters. The quarter included percentage swings so substantial that some indexes experienced both bear- and bull-market-level declines and advances over the three-month period. For the quarter overall, the Dow fell 13.3%, the S&P 500 lost 11.0% and the Russell 2000® Index shed 15%. MassMutual participant balances declined 3.1% in the first quarter. Ongoing contributions, as well as asset movement into stable value investment options contributed to this result. Participants under thirty fared best, with a net gain of 0.1%. This is likely because of an increase in contribution rates and because the relative impact of contributions was greater than investment losses with these smaller account balances. Overall change in participant balances, while still slightly negative, represents an improvement from the average 26% loss of Q4 2008.

Asset Allocation

Asset movement in the first quarter was primarily to stable value and lifecycle investment options. Asset movement into stable value slowed, and on some days reversed, in mid to late March. Overall, though, stable value assets are up 15 percentage points from 2007. The total percentage of assets in asset allocation options has not changed markedly from 2007, but the proportion of assets in lifecycle (target date) options has increased while the proportion of assets in lifestyle (risk based) options has decreased. 25% of participants made a change to their asset allocation in the first quarter of 2009, compared to 20% in the last quarter of 2008.

MassMutual Assets by Category 2007-Q1 2009



Dates a/o 12/31/2007, 12/31/2008, and 3/31/2009

Savings Rates and Loans

Younger participants tend to defer at lower levels than older participants. Recently, though, younger participants are saving more aggressively. The average deferral rate for participants under thirty increased from 3.9% at year end 2008 to 4.6% at the end of the first quarter.

Age Group	Deferral Q1 - 3/31/2009
Under 30	4.6%
30 – 39	5.0%
40 – 49	5.6%
50 – 59	6.4%
60 & over	7.5%
Total	5.7%

More than two percent of employees increased their savings rate in the first quarter of 2009. The vast majority of participants did not change their deferral rate. Those who did were more likely than in the past to either decrease their contribution or stop contributing. This may represent employment fears.

	No Change	Increased	Stopped	Decreased
Q1 2009	86.9%	2.4%	4.1%	6.7%
Q4 2008	89.2%	3.1%	2.5%	5.2%

Loan activity remained steady in 2009. A little over one percent of participants initiated a loan in the first quarter and loans represent a small proportion of participant assets.

Web and Call Center Activity

Levels of participant interaction with MassMutual remain high. MassMutual's website, the JourneySM, had more than 1.2 million visits per month since September 2008. Traffic on the RetireSmartSM Academy education website has been steadily increasing since its introduction in late January.

Call Center activity remains high as well. In the first quarter, call volumes were up about 26% from Q1 2008 and 18% from Q4 2008. Calls are lasting 24% longer as participants ask more questions about their accounts and the future. Participants are also performing more transactions over the phone; this activity accounted for the greatest proportion of calls in Q1.

