

TCW STRATEGIC INCOME FUND INC
Form N-CSRS
August 30, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number: 811-4980

TCW Strategic Income Fund, Inc.

(Exact name of registrant as specified in charter)

865 South Figueroa Street, Suite 1800, Los Angeles, CA 90017

(Address of principal executive offices)

Philip K. Holl, Esq.

Secretary

865 South Figueroa Street, Suite 1800

Los Angeles, CA 90017

(Name and address of agent for service)

Registrant's telephone number, including area code: (213) 244-0000

Date of fiscal year end: December 31

Date of reporting period: June 30, 2011

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office

Edgar Filing: TCW STRATEGIC INCOME FUND INC - Form N-CSRS

of Management and Budget (OMB) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

Item 1. **Report to Stockholders.** Attached hereto.

TCW Strategic Income Fund, Inc.

The President's Letter

Dear Shareholder,

We are pleased to present the 2011 semi-annual report of the TCW Strategic Income Fund (TSI or the Fund). TSI is a multi-asset class closed-end fund managed by TCW Investment Management Company. The Fund's current distribution policy is to pay at least 7% annually based on the previous year-end net asset value (NAV) and it has made two quarterly dividends of \$0.0966 per share during the six months ended June 30, 2011. The overall year-to-date return of the Fund's NAV was 6.8% with a return on market price of 5.6%. The market price to NAV discount was 6.8% as of June 30, 2011.

The following table summarizes the principal market sectors of the Fund as of June 30, 2011:

| Fund Sector | Market Value | Allocation | % of Net Assets |
|---------------------------------|----------------|------------|-----------------|
| Mortgage-backed Securities | \$ 151,456,445 | 46.28% | 55.7% |
| Asset-backed Securities | 62,634,492 | 19.14% | 23.0% |
| Corporate Bonds | 55,148,057 | 16.85% | 20.3% |
| Common Stocks | 42,627,063 | 13.03% | 15.7% |
| Convertible Securities | 8,464,636 | 2.59% | 3.1% |
| Bank Loans | 4,522,143 | 1.38% | 1.7% |
| Municipal Bonds | 1,942,694 | 0.59% | 0.7% |
| Collateralized Debt Obligations | 468,751 | 0.14% | 0.2% |
| | \$ 327,264,281 | 100.00% | 120.4% |

Fund allocation continues to have an emphasis in asset-backed and mortgage-backed securities which represent approximately 65% of the overall exposure as measured by market value. In addition, the Fund has diversified its weighting in other sectors, and holds 17% in corporate bonds and 13% in equity securities. The mortgage-backed securities (MBS) are comprised of Agency MBS which are securitized by Government Sponsored Enterprises (GSEs), and Non-Agency MBS which are issued by private label (non-guaranteed) originators. Some securities have characteristics that differ from traditional pass-through MBS, including their liquidity and sensitivity to rate changes. These securities include inverse floaters and interest-only securities. The non-GSE-backed MBS have greater exposure to credit risk, although TCW purchased these with a view to capturing deep pricing discounts to ultimate recovery values, even assuming substantial defaults and loss severities to the underlying loan pools. In line with the overall non-GSE-backed MBS market, the Fund's holdings in these securities have experienced downgrades and are now predominately a collection of below-investment grade holdings. However, the change in ratings does not alter our investment thesis in the sector. Notwithstanding the considerable price appreciation realized in 2010 and some renewed volatility this year, we continue to view Non-Agency MBS as a highly attractive risk-adjusted return opportunity.

The Fund re-introduced an allocation to the equity market in the first quarter of last year. Additional allocations were made through dollar cost averaging at multiple price points, and the positions emphasize higher dividend paying value stocks. Market capitalizations of the equity investments usually exceed \$1 billion. Cash positions in common stocks have been supplemented with an additional \$5,606,400 of equity exposure achieved through long positions on the futures exchanges. These positions consist of a holding in S&P 500 Index futures, an S&P 500

The President's Letter (Continued)

E-mini Index futures, and a Nikkei 225 Index futures. Most of these positions were added in the wake of the March 2011 Japanese earthquake, which resulted in a sharp downward movement in equity prices worldwide. As of June 30, 2011, these positions were net accretive to the Fund.

The total equity allocation totaled over 13% as of the end of the second quarter, and the Fund's top 5 holdings are provided below:

| Top 5 equity holdings | % of Fund * | % of Equity * |
|------------------------------|--------------------|----------------------|
| Pfizer, Inc. | 0.47% | 3.60% |
| Chevron Corp. | 0.46% | 3.52% |
| JP Morgan Chase & Co. | 0.41% | 3.18% |
| TE Connectivity, Ltd. | 0.39% | 2.99% |
| Kraft Foods, Inc. | 0.38% | 2.95% |

* As a percentage of market value.

Leverage is utilized by TSI through a Line of Credit facility. The Fund had an outstanding balance of \$54.3 million at June 30, 2011. The maximum amount available under the facility is \$70 million.

Overall performance has been positive year-to-date and particularly strong over the past five years, inclusive of the difficult market environment of 2008-09.

TSI Performance as of June 30, 2011:

| | Six Months Return as of June 30, 2011 | Annualized Return as of June 30, 2011 | | | |
|------------------------|--|--|---------------|---------------|----------------|
| | | 1-Year | 3-Year | 5-Year | 10-Year |
| Market Price Return | 5.64% | 24.97% | 27.44% | 14.10% | 3.66% |
| Net Asset Value Return | 6.78% | 22.18% | 23.80% | 12.12% | 6.23% |
| Fund Index Return * | 4.03% | 13.28% | 7.86% | 6.78% | 6.31% |

* Fund index is a blend of benchmarks consisting of S&P 500 Index, Merrill Lynch Convertible Index, Barclays Capital Aggregate Bond Index and Citigroup High Yield Cash Pay Index.

While management remains optimistic about returns from the various sectors represented in TSI, we believe that the ongoing decline in U.S. Treasury yields warrants the introduction of strategies designed to reduce the impact to TSI from an eventual rise in market interest rates. To this end, management may implement various interest rate strategies incorporating instruments such as interest rate caps, swaps, and options. Additionally, management may introduce credit default swaps (CDS) into the portfolio. Although we have no intention of using these instruments as the primary driver of Fund returns, we believe they enhance our ability to navigate the current unprecedented market conditions and protect shareholder value.

Matthew K. Fong

It is with deep sadness that I inform you that Matt, a director of the Fund since 1999, passed away after a courageous battle with cancer. Matt will be remembered for his significant counsel and guidance as well as his protection of shareholder interests and contributions to the progress of the Fund. In addition to being a director, Matt served the nation as an Air Force officer, elected official, attorney, business leader, educator and humanitarian. Matt will be missed.

We greatly appreciate your investment in the Fund and your continuing support of TCW. If you have any additional questions or comments, I invite you to visit our web site at www.tcw.com or call our shareholder services department at 1-866-227-8179.

Sincerely,

Charles W. Baldiswieler

President, Chief Executive Officer and Director

TCW Strategic Income Fund, Inc.

Schedule of Investments (Unaudited)

| Principal Amount | Fixed Income Securities | Value |
|------------------|--|--------------|
| | Asset-Backed Securities (23.0% of Net Assets) | |
| \$ 1,611,874 | Aerco, Ltd., (2A-A3), (144A), 0.647%, due 07/15/25 ⁽¹⁾⁽²⁾ | \$ 1,297,559 |
| 957,124 | Aircastle Pass Through Trust, (07-1A-G1), (144A), 0.45%, due 06/14/37 ⁽¹⁾⁽²⁾ | 856,651 |
| 3,100,000 | Asset-Backed Securities Corp. Home Equity, (07-HE1-A4), 0.326%, due 12/25/36 ⁽²⁾ | 1,320,344 |
| 982,496 | Babcock & Brown Air Funding, Ltd., (07-1A-G1), (144A), 0.489%, due 11/14/33 ⁽¹⁾⁽²⁾ | 852,162 |
| 2,200,000 | Brazos Higher Education Authority, (10-1-A2), 1.457%, due 02/25/35 ⁽²⁾ | 2,120,286 |
| 244,219 | Centex Home Equity, (05-A-AF5), 5.28%, due 01/25/35 ⁽²⁾ | 244,547 |
| 1,714,800 | CIT Education Loan Trust, (07-1-A), (144A), 0.337%, due 03/25/42 ⁽¹⁾⁽²⁾ | 1,567,401 |
| 842,565 | Conseco Finance Securitizations Corp., (01-4-A4), 7.36%, due 09/01/33 | 910,057 |
| 1,442,705 | Credit-Based Asset Servicing and Securitization LLC, (06-CB1-AF2), 5.236%, due 01/25/36 ⁽²⁾ | 908,280 |
| 600,000 | EFS Volunteer LLC, (10-1-A2), (144A), 1.124%, due 10/25/35 ⁽¹⁾⁽²⁾ | 570,569 |
| 2,500,000 | First Franklin Mortgage Loan Asset Backed Certificates, (06-FF18-A2D), 0.396%, due 12/25/37 ⁽²⁾ | 1,049,955 |
| 1,000,000 | GE Corporate Aircraft Financing LLC, (05-1A-C), (144A), 1.486%, due 08/26/19 ⁽¹⁾⁽²⁾ | 905,000 |
| 283,333 | GE SeaCo Finance SRL, (04-1A-A), (144A), 0.485%, due 04/17/19 ⁽¹⁾⁽²⁾ | 274,598 |
| 728,750 | GE SeaCo Finance SRL, (05-1A-A), (144A), 0.435%, due 11/17/20 ⁽¹⁾⁽²⁾ | 681,363 |
| 863,079 | Genesis Funding, Ltd., (06-1A-G1), (144A), 0.426%, due 12/19/32 ⁽¹⁾⁽²⁾ | 761,668 |
| 550,000 | Goal Capital Funding Trust, (06-1-B), 0.707%, due 08/25/42 ⁽²⁾ | 453,538 |
| 1,200,000 | Green Tree, (08-MH1-A2), (144A), 8.97%, due 04/25/38 ⁽¹⁾⁽²⁾ | 1,339,978 |
| 1,409,004 | Green Tree, (08-MH1-A3), (144A), 8.97%, due 04/25/38 ⁽¹⁾⁽²⁾ | 1,572,249 |
| 2,500,000 | Green Tree Financial Corp., (96-10-M1), 7.24%, due 11/15/28 ⁽²⁾ | 2,640,093 |
| 1,200,000 | Green Tree Financial Corp., (96-7-M1), 7.7%, due 10/15/27 | 1,274,180 |
| 1,220,723 | Green Tree Financial Corp., (97-3-A5), 7.14%, due 03/15/28 ⁽²⁾ | 1,327,387 |
| 506,066 | Green Tree Financial Corp., (97-3-A7), 7.64%, due 03/15/28 | 557,993 |
| 970,616 | Green Tree Financial Corp., (98-3-A6), 6.76%, due 03/01/30 | 1,026,003 |
| 922,063 | Green Tree Financial Corp., (98-4-A6), 6.53%, due 04/01/30 | 969,136 |
| 976,356 | Green Tree Financial Corp., (98-4-A7), 6.87%, due 04/01/30 | 1,043,819 |
| 935,000 | Greenpoint Manufactured Housing, (99-5-A5), 7.82%, due 12/15/29 ⁽²⁾ | 1,021,645 |
| 2,979,915 | GSAA Home Equity Trust, (06-13-AF6), 6.04%, due 07/25/36 ⁽²⁾ | 2,178,121 |
| 337,789 | GSAA Home Equity Trust, (06-19-A1), 0.276%, due 12/25/36 ⁽²⁾ | 141,961 |
| 263,944 | Household Home Equity Loan Trust, (05-2-M1), 0.646%, due 01/20/35 ⁽²⁾ | 236,763 |
| 921,064 | Indymac Manufactured Housing Contract, (98-2-A4), 6.64%, due 12/25/27 ⁽²⁾ | 919,818 |
| 1,040,000 | Lease Investment Flight Trust, (1-A1), 0.577%, due 07/15/31 ⁽²⁾ | 696,800 |
| 1,205,000 | Lease Investment Flight Trust, (1-A2), 0.617%, due 07/15/31 ⁽²⁾ | 807,350 |
| 973,498 | Lehman ABS Manufactured Housing Contract Trust, (01-B-A6), 6.467%, due 08/15/28 ⁽²⁾ | 1,046,974 |
| 1,300,000 | Long Beach Mortgage Loan Trust, (04-4-M1), 0.786%, due 10/25/34 ⁽²⁾ | 1,049,605 |
| 2,450,000 | Merrill Lynch First Franklin Mortgage Loan Trust, (07-3-A2C), 0.366%, due 06/25/37 ⁽²⁾ | 1,068,591 |
| 768,075 | Mid-State Trust, (04-1-M1), 6.497%, due 08/15/37 | 770,365 |
| 1,300,000 | Morgan Stanley Capital Inc., (05-HE3-M3), 0.716%, due 07/25/35 ⁽²⁾ | 1,021,517 |
| 1,728,870 | Morgan Stanley Capital, Inc., (03-NC6-M1), 1.386%, due 06/25/33 ⁽²⁾ | 1,539,758 |
| 2,200,000 | North Carolina State Education Assistance Authority, (11-1-A3), 1.282%, due 10/25/41 ⁽²⁾ | 2,051,918 |
| 1,750,000 | Northstar Education Finance, Inc., (07-1-A3), 0.333%, due 01/29/46 ⁽²⁾ | 1,609,216 |
| 633,663 | Oakwood Mortgage Investors, Inc., (01-D-A3), 5.9%, due 09/15/22 | 511,963 |
| 1,036,188 | Oakwood Mortgage Investors, Inc., (01-D-A4), 6.93%, due 09/15/31 | 868,132 |
| 916,099 | Oakwood Mortgage Investors, Inc., (02-A-A3), 6.03%, due 05/15/24 ⁽²⁾ | 897,131 |
| 624,639 | Oakwood Mortgage Investors, Inc., (98-D-A), 6.4%, due 01/15/29 | 631,178 |
| 975,120 | Oakwood Mortgage Investors, Inc., (99-B-A4), 6.99%, due 12/15/26 | 986,187 |
| 942,451 | Origen Manufactured Housing, (05-A-M1), 5.46%, due 06/15/36 ⁽²⁾ | 975,392 |
| 1,200,000 | Park Place Securities, Inc., (05-WHQ1-M2), 0.686%, due 03/25/35 ⁽²⁾ | 1,061,401 |
| 1,974,831 | Peachtree Finance Co. LLC, (144A), (Class A Notes), 4.71%, due 04/15/48 ⁽¹⁾ | 2,073,572 |
| 3,049,000 | Securitized Asset Backed Receivables LLC Trust, (07-BR4-A2C), 0.476%, due 05/25/37 ⁽²⁾ | 1,045,273 |
| 5,000,000 | Soundview Home Equity Loan Trust, (06-WF1-A3), 5.655%, due 10/25/36 ⁽²⁾ | 2,812,957 |
| 606,667 | TAL Advantage LLC, (10-2A-A), (144A), 4.3%, due 10/20/25 ⁽¹⁾ | 634,697 |
| 239,583 | TAL Advantage LLC, (11-1A-A), (144A), 4.6%, due 01/20/26 ⁽¹⁾ | 247,062 |
| 360,339 | Terwin Mortgage Trust, (06-17HE-A2A), (144A), 0.266%, due 01/25/38 ⁽¹⁾⁽²⁾⁽³⁾ | 298,469 |
| 587,500 | Textainer Marine Containers, Ltd., (05-1A-A), (144A), 0.437%, due 05/15/20 ⁽¹⁾⁽²⁾ | 567,245 |
| 875,000 | Textainer Marine Containers, Ltd., (11-1A-A), (144A), 4.7%, due 06/15/26 ⁽¹⁾ | 872,280 |

Edgar Filing: TCW STRATEGIC INCOME FUND INC - Form N-CSRS

| | | |
|---------|---|---------|
| 717,902 | Trinity Rail Leasing LP, (06-1A-A1), (144A), 5.9%, due 05/14/36 ⁽¹⁾ | 738,391 |
| 744,792 | Triton Container Finance LLC, (06-1A-NOTE), (144A), 0.36%, due 11/26/21 ⁽¹⁾⁽²⁾ | 703,462 |

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

June 30, 2011

| Principal Amount | Fixed Income Securities | Value |
|---|---|------------|
| Asset-Backed Securities (Continued) | | |
| \$ 469,792 | Triton Container Finance LLC, (07-1A-NOTE), (144A), 0.33%, due 02/26/19 ⁽¹⁾⁽²⁾ | \$ 451,250 |
| 2,300,000 | U.S. Education Loan Trust LLC, (06-2A-A1), (144A), 0.434%, due 03/01/31 ⁽¹⁾⁽²⁾ | 2,075,734 |
| 551,172 | UCFC Manufactured Housing Contract, (97-4-A4), 6.995%, due 04/15/29 | 567,591 |
| 900,000 | Vanderbilt Mortgage Finance, (02-C-A5), 7.6%, due 12/07/32 | 929,907 |
| Total Asset-Backed Securities (Cost: \$60,803,179) | | 62,634,492 |
| Bank Loans (1.7%) | | |
| Electric Utilities (0.8%) | | |
| 1,017,826 | Kelson Finance, LLC (Loan Agreement), 6.746%, due 03/08/14 | 974,161 |
| 1,529,977 | Mach Gen, LLC (Loan Agreement), 7.76%, due 02/15/15 | 1,193,382 |
| Total Electric Utilities | | 2,167,543 |
| Hotels, Restaurants & Leisure (0.5%) | | |
| 1,500,000 | Harrahs Operating Company (Loan Agreement), 3.274%, due 01/28/15 | 1,350,000 |
| Satellite Communications (0.4%) | | |
| 1,000,000 | Intelsat Jackson Holdings, Ltd. (Loan Agreement), 5.25%, due 04/02/18 | 1,004,600 |
| Total Bank Loans (Cost: \$4,619,840) | | 4,522,143 |
| Collateralized Debt Obligation (0.2%) | | |
| 625,000 | Bryant Park CDO Ltd, (05-1X), 0%, due 01/15/19 ⁽²⁾ | 468,751 |
| Total Collateralized Debt Obligation (Cost: \$450,000) | | 468,751 |
| Collateralized Mortgage Obligations (55.7%) | | |
| Private Mortgage-Backed Securities (46.1%) | | |
| 4,967,908 | Adjustable Rate Mortgage Trust, (05-11-2A3), 2.907%, due 02/25/36 ⁽²⁾⁽³⁾ | 2,674,060 |
| 2,487,140 | Adjustable Rate Mortgage Trust, (05-4-6A22), 2.816%, due 08/25/35 ⁽²⁾ | 1,196,740 |
| 1,482,878 | Adjustable Rate Mortgage Trust, (06-1-2A1), 3.175%, due 03/25/36 ⁽²⁾ | 941,374 |
| 3,149,227 | American Home Mortgage Assets, (05-2-2A1A), 3.44%, due 01/25/36 ⁽²⁾⁽³⁾ | 2,254,379 |
| 1,000,000 | Bayview Commercial Asset Trust, (06-SP1-M1), (144A), 0.636%, due 04/25/36 ⁽¹⁾⁽²⁾ | 730,401 |
| 1,642,852 | BCAP LLC Trust, (10-RR11-3A2), (144A), 2.834%, due 06/27/36 ⁽¹⁾⁽²⁾ | 1,520,122 |
| 1,985,999 | BCAP LLC Trust, (11-RR3-1A5), 5.549%, due 05/27/37 ⁽²⁾ | 1,909,041 |
| 2,245,507 | BCAP LLC Trust, (11-RR3-5A3), 5.094%, due 11/27/37 ⁽²⁾ | 2,042,720 |
| 1,175,422 | BCAP LLC Trust, (11-RR4-1A3), 3.038%, due 03/26/36 ⁽²⁾ | 1,072,572 |
| 1,615,335 | BCAP LLC Trust, (11-RR5-1A3), 5.85%, due 03/26/37 ⁽²⁾ | 1,494,185 |
| 1,068,433 | BCAP LLC Trust, (11-RR5-2A3), 5.07%, due 03/26/37 ⁽²⁾ | 994,978 |
| 2,764,474 | Bear Stearns Adjustable Rate Mortgage Trust, (07-4-22A1), 5.762%, due 06/25/47 ⁽²⁾ | 2,213,014 |
| 2,088,357 | Bear Stearns Alternative Loan Trust, (04-8-1A), 0.536%, due 09/25/34 ⁽²⁾ | 1,723,671 |
| 1,515,357 | Bear Stearns Asset-Backed Securities Trust, (06-IM1-A1), 0.416%, due 04/25/36 ⁽²⁾⁽³⁾ | 839,082 |
| 3,764,339 | Citigroup Mortgage Loan Trust, Inc., (05-8-1A1A), 2.799%, due 10/25/35 ⁽²⁾ | 2,706,586 |
| 1,840,723 | Citigroup Mortgage Loan Trust, Inc., (06-AR6-1A1), 5.919%, due 08/25/36 ⁽²⁾ | 1,626,853 |
| 3,329,545 | CitiMortgage Alternative Loan Trust, (06-A3-1A7), 6%, due 07/25/36 | 2,543,419 |
| 1,933,042 | CitiMortgage Alternative Loan Trust, (06-A5-1A8), 6%, due 10/25/36 ⁽³⁾ | 1,385,610 |
| 2,294,474 | Countrywide Alternative Loan Trust, (06-36T2-1A4), 5.75%, due 12/25/36 | 1,363,929 |
| 1,786,445 | Countrywide Alternative Loan Trust, (06-5T2-A3), 6%, due 04/25/36 | 1,348,581 |

Edgar Filing: TCW STRATEGIC INCOME FUND INC - Form N-CSRS

| | | |
|-------------|---|-----------|
| 2,820,433 | Countrywide Alternative Loan Trust, (07-11T1-A21), 6%, due 05/25/37 | 1,901,481 |
| 3,706,739 | Countrywide Alternative Loan Trust, (07-12T1-A5), 6%, due 06/25/37 | 2,603,214 |
| 4,696,768 | Countrywide Alternative Loan Trust, (07-19-1A34), 6%, due 08/25/37 | 3,557,961 |
| 3,000,000 | Countrywide Alternative Loan Trust, (07-19-1A4), 6%, due 08/25/37 | 2,238,642 |
| 2,298,855 | Countrywide Alternative Loan Trust, (07-9T1-2A3), 6%, due 05/25/37 | 1,548,867 |
| 1,638,095 | Countrywide Alternative Loan Trust, (08-2R-3A1), 6%, due 08/25/37 | 1,280,540 |
| 2,157,123 | Countrywide Home Loans, (04-HYB4-B1), 3.119%, due 09/20/34 ⁽²⁾ | 373,218 |
| 132,559,456 | Countrywide Home Loans, (06-14-X), 0.327%, due 09/25/36(I/O) ⁽²⁾ | 1,056,022 |

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

Schedule of Investments (Unaudited) (Continued)

| Principal Amount | Fixed Income Securities | Value |
|------------------|---|--------------|
| | Collateralized Mortgage Obligations (Continued) | |
| | Private Mortgage-Backed Securities (Continued) | |
| \$ 3,662,430 | Countrywide Home Loans, (06-HYB2-1A1), 2.913%, due 04/20/36 ⁽²⁾ | \$ 2,012,617 |
| 3,535,385 | Countrywide Home Loans, (07-J2-2A6), 6%, due 07/25/37 | 2,571,035 |
| 656,983 | Credit Suisse First Boston Mortgage Securities Corp., (04-AR5-11A2), 0.926%, due 06/25/34 ⁽²⁾ | 534,621 |
| 2,905,509 | Credit Suisse First Boston Mortgage Securities Corp., (05-12-1A1), 6.5%, due 01/25/36 ⁽³⁾ | 1,952,664 |
| 2,083,538 | Credit Suisse Mortgage Capital Certificates, (06-6-1A8), 6%, due 07/25/36 | 1,553,177 |
| 28,836,356 | Credit Suisse Mortgage Capital Certificates, (06-9-7A2), 6.364%, due 11/25/36(I/O) (I/F) ⁽²⁾ | 4,246,592 |
| 615,000 | Credit Suisse Mortgage Capital Certificates, (06-C5-A3), 5.311%, due 12/15/39 | 659,495 |
| 5,500,000 | Deutsche Alt-A Securities, Inc. Mortgage Loan Trust, (06-AB2-A2), 6.16%, due 06/25/36 ⁽²⁾ | 3,650,336 |
| 2,307,757 | Deutsche Alt-A Securities, Inc. Mortgage Loan Trust, (06-AR6-A6), 0.376%, due 02/25/37 ⁽²⁾ | 1,289,103 |
| 511,592 | Downey Savings & Loan Association Mortgage Loan Trust, (06-AR2-2A1A), 0.386%, due 11/19/37 ⁽²⁾ | 333,480 |
| 1,345,733 | GE Business Loan Trust, (03-2A-A), (144A), 0.557%, due 11/15/31 ⁽¹⁾⁽²⁾ | 1,239,541 |
| 839,850 | GE Business Loan Trust, (04-1-A), (144A), 0.477%, due 05/15/32 ⁽¹⁾⁽²⁾ | 781,265 |
| 573,564 | GE Business Loan Trust, (04-2A-A), (144A), 0.407%, due 12/15/32 ⁽¹⁾⁽²⁾ | 519,815 |
| 1,200,000 | GE Business Loan Trust, (05-1A-A3), (144A), 0.437%, due 06/15/33 ⁽¹⁾⁽²⁾ | 1,077,932 |
| 1,103,128 | GE Business Loan Trust, (05-2A-A), (144A), 0.427%, due 11/15/33 ⁽¹⁾⁽²⁾ | 983,405 |
| 1,925,000 | Greenwich Capital Commercial Funding Corp., (06-GG7-A4), 6.078%, due 07/10/38 ⁽²⁾ | 2,139,632 |
| 980,000 | Greenwich Capital Commercial Funding Corp., (07-GG9-A4), 5.444%, due 03/10/39 | 1,052,615 |
| 1,853,621 | GSC Capital Corp. Mortgage Trust, (06-2-A1), 0.366%, due 05/25/36 ⁽²⁾⁽³⁾ | 957,654 |
| 1,482,177 | GSR Mortgage Loan Trust, (05-AR3-6A1), 2.769%, due 05/25/35 ⁽²⁾ | 1,236,903 |
| 3,131,712 | GSR Mortgage Loan Trust, (06-1F-1A5), 29.503%, due 02/25/36(I/F) (TAC) ⁽²⁾ | 3,807,640 |
| 9,239,924 | Indymac Index Mortgage Loan Trust, (06-AR13-A4X), 4.67%, due 07/25/36(I/O) ⁽²⁾ | 443,283 |
| 2,051,125 | Indymac Index Mortgage Loan Trust, (07-FLX2-A1C), 0.376%, due 04/25/37 ⁽²⁾ | 906,229 |
| 1,568,613 | JP Morgan Alternative Loan Trust, (06-A2-5A1), 5.836%, due 05/25/36 ⁽²⁾⁽³⁾ | 993,701 |
| 4,000,000 | JP Morgan Mortgage Trust, (05-A8-2A3), 2.97%, due 11/25/35 ⁽²⁾ | 3,097,282 |
| 3,436,841 | JP Morgan Mortgage Trust, (07-S2-1A1), 5%, due 06/25/37 | 2,666,467 |
| 2,368,231 | Lehman XS Trust, (07-14H-A211), 0.73%, due 07/25/47 ⁽²⁾⁽³⁾ | 1,109,290 |
| 3,500,000 | MASTR Adjustable Rate Mortgages Trust, (07-3-22A5), 0.526%, due 05/25/47 ⁽²⁾ | 506,986 |
| 3,008,101 | MASTR Alternative Loans Trust, (07-HF1-4A1), 7%, due 10/25/47 ⁽²⁾⁽³⁾ | 1,828,484 |
| 1,485,483 | Merrill Lynch Mortgage Backed Securities Trust, (07-2-1A1), 5.8%, due 08/25/36 ⁽²⁾ | 1,066,298 |
| 2,631,156 | Morgan Stanley Mortgage Loan Trust, (07-15AR-4A1), 5.326%, due 11/25/37 ⁽²⁾ | 1,750,115 |
| 4,270,452 | Nomura Asset Acceptance Corp., (06-AR1-1A), 3.442%, due 02/25/36 ⁽²⁾⁽³⁾ | 2,169,256 |
| 940,779 | Residential Accredit Loans, Inc., (05-QA7-M1), 3.139%, due 07/25/35 ⁽²⁾⁽³⁾ | 11,878 |
| 1,814,505 | Residential Accredit Loans, Inc., (06-Q07-2A1), 1.128%, due 09/25/46 ⁽²⁾ | 952,124 |
| 1,796,695 | Residential Accredit Loans, Inc., (06-QS1-A3), 5.75%, due 01/25/36(PAC) | 1,341,031 |
| 4,087,003 | Residential Accredit Loans, Inc., (06-QS8-A3), 6%, due 08/25/36 ⁽³⁾ | 2,682,075 |
| 1,209,098 | Residential Accredit Loans, Inc., (07-QS6-A62), 5.5%, due 04/25/37(TAC) ⁽³⁾ | 736,982 |
| 2,779,000 | Residential Asset Securitization Trust, (05-A8CB-A3), 5.5%, due 07/25/35 | 1,729,603 |
| 2,246,747 | Residential Asset Securitization Trust, (07-A2-1A1), 6%, due 04/25/37 ⁽³⁾ | 1,727,392 |
| 8,363,715 | Residential Asset Securitization Trust, (07-A5-AX), 6%, due 05/25/37(I/O) | 1,225,936 |
| 165,904,365 | Residential Funding Mortgage Securities, (06-S9-AV), 0.3%, due 09/25/36(I/O) ⁽²⁾ | 1,823,289 |
| 2,165,154 | Structured Adjustable Rate Mortgage Loan Trust, (05-20-1A1), 5.685%, due 10/25/35 ⁽²⁾ | 1,357,863 |
| 2,868,082 | Structured Adjustable Rate Mortgage Loan Trust, (05-23-3A1), 5.706%, due 01/25/36 ⁽²⁾ | 2,125,641 |
| 1,921,886 | Structured Adjustable Rate Mortgage Loan Trust, (06-3-4A), 5.561%, due 04/25/36 ⁽²⁾⁽³⁾ | 1,413,935 |
| 1,471,949 | Structured Adjustable Rate Mortgage Loan Trust, (07-9-2A1), 5.216%, due 10/25/47 ⁽²⁾ | 927,824 |
| 3,400,000 | Structured Asset Mortgage Investments, Inc., (06-AR7-A11), 0.486%, due 08/25/36 ⁽²⁾ | 990,805 |
| 1,614,877 | Structured Asset Mortgage Investments, Inc., (07-AR6-A1), 1.778%, due 08/25/47 ⁽²⁾ | 866,772 |
| 2,053,969 | Washington Mutual Mortgage Pass-Through Certificates, (06-AR9-2A), 1.118%, due 11/25/46 ⁽²⁾ | 906,887 |
| 1,861,718 | Washington Mutual Mortgage Pass-Through Certificates, (07-HY5-2A5), 5.857%, due 05/25/37 ⁽²⁾ | 1,241,488 |
| 1,899,702 | Wells Fargo Mortgage Backed Securities Trust, (06-2-1A4), 18.877%, due 03/25/36(I/F) ⁽²⁾ | 2,512,694 |
| 2,045,417 | Wells Fargo Mortgage Backed Securities Trust, (06-AR10-5A1), 3.149%, due 07/25/36 ⁽²⁾ | 1,612,365 |
| 2,191,491 | Wells Fargo Mortgage Backed Securities Trust, (07-AR3-A4), 5.829%, due 04/25/37 ⁽²⁾ | 1,939,036 |
| 2,130,058 | Wells Fargo Mortgage Loan Trust, (10-RR4-1A2), (144A), 5.494%, due 12/27/46 ⁽¹⁾⁽²⁾ | 1,058,171 |

Total Private Mortgage-Backed Securities

125,461,966

See accompanying notes to financial statements.

6

TCW Strategic Income Fund, Inc.

June 30, 2011

| Principal Amount | Fixed Income Securities | Value |
|--|---|--------------------|
| Collateralized Mortgage Obligations (Continued) | | |
| U.S. Government Agency Obligations (9.6%) | | |
| \$ 752,090 | Federal Home Loan Mortgage Corp., (1673-SD), 12.604%, due 02/15/24(I/F) (PAC) ⁽²⁾ | \$ 925,600 |
| 1,623,983 | Federal Home Loan Mortgage Corp., (1760-ZD), 2.65%, due 02/15/24 ⁽²⁾ | 1,640,370 |
| 1,517 | Federal Home Loan Mortgage Corp., (2950-GS), 21.315%, due 03/15/35(I/F) ⁽²⁾ | 1,526 |
| 464,404 | Federal Home Loan Mortgage Corp., (2990-JK), 21.256%, due 03/15/35(I/F) ⁽²⁾⁽⁴⁾ | 523,049 |
| 369,512 | Federal Home Loan Mortgage Corp., (3063-JS), 28.011%, due 11/15/35(I/F) ⁽²⁾ | 390,191 |
| 544,759 | Federal Home Loan Mortgage Corp., (3076-ZQ), 5.5%, due 11/15/35(PAC) | 573,548 |
| 12,528,510 | Federal Home Loan Mortgage Corp., (3122-SG), 5.443%, due 03/15/36(I/O) (I/F) (TAC) (PAC) ⁽²⁾ | 1,633,843 |
| 659,031 | Federal Home Loan Mortgage Corp., (3128-OJ), 0%, due 03/15/36(P/O) ⁽⁵⁾ | 633,029 |
| 866,895 | Federal Home Loan Mortgage Corp., (3185-SA), 10.823%, due 07/15/36(I/F) ⁽²⁾ | 853,869 |
| 6,819,646 | Federal Home Loan Mortgage Corp., (3323-SA), 5.923%, due 05/15/37(I/O) (I/F) ⁽²⁾ | 785,460 |
| 3,797,603 | Federal Home Loan Mortgage Corp., (3459-JS), 6.063%, due 06/15/38(I/O) (I/F) ⁽²⁾ | 516,088 |
| 17,294,244 | Federal National Mortgage Association, (04-53-QV), 1.59%, due 02/25/34(I/O) (I/F) ⁽²⁾ | 645,959 |
| 439,062 | Federal National Mortgage Association, (05-1-GZ), 5%, due 02/25/35 | 441,845 |
| 67,965 | Federal National Mortgage Association, (05-13-JS), 22.321%, due 03/25/35(I/F) ⁽²⁾ | 69,087 |
| 362,556 | Federal National Mortgage Association, (05-62-BO), 0%, due 07/25/35(P/O) ⁽⁵⁾ | 331,670 |
| 3,820,083 | Federal National Mortgage Association, (07-42-SE), 5.924%, due 05/25/37(I/O) (I/F) ⁽²⁾ | 444,164 |
| 14,532,798 | Federal National Mortgage Association, (07-48-SD), 5.914%, due 05/25/37(I/O) (I/F) ⁽²⁾ | 2,156,645 |
| 3,424,871 | Federal National Mortgage Association, (09-69-CS), 6.564%, due 09/25/39(I/O) (I/F) ⁽²⁾⁽⁴⁾ | 474,876 |
| 5,223,872 | Federal National Mortgage Association, (10-112-PI), 6%, due 10/25/40(I/O) | 1,009,530 |
| 4,009,689 | Government National Mortgage Association, (05-45-DK), 21.258%, due 06/16/35(I/F) ⁽²⁾ | 4,770,746 |
| 16,218,103 | Government National Mortgage Association, (06-35-SA), 6.414%, due 07/20/36(I/O) (I/F) ⁽²⁾⁽⁴⁾ | 2,545,662 |
| 28,316,647 | Government National Mortgage Association, (06-61-SA), 4.564%, due 11/20/36(I/O) (I/F) (TAC) ⁽²⁾ | 2,503,186 |
| 15,698,270 | Government National Mortgage Association, (08-58-TS), 6.214%, due 05/20/38(I/O) (I/F) (TAC) ⁽²⁾⁽⁴⁾ | 2,124,536 |
| Total U.S. Government Agency Obligations | | 25,994,479 |
| Total Collateralized Mortgage Obligations (Cost: \$135,515,873) | | 151,456,445 |
| Corporate Bonds (20.3%) | | |
| Airlines (1.9%) | | |
| 1,861,400 | Continental Airlines, Inc. Pass-Through Certificates, (00-2-A1), 7.707%, due 10/02/22(EETC) | 2,007,892 |
| 980,155 | Delta Air Lines, Inc. Pass-Through Certificates, (02-G1), 6.718%, due 07/02/24(EETC) | 992,407 |
| 1,250,000 | Delta Air Lines, Inc. Pass-Through Certificates, (02-G2), 6.417%, due 01/02/14(EETC) | 1,287,500 |
| 900,000 | US Airways Pass-Through Trust, (10-1A), 6.25%, due 04/22/23(EETC) | 872,438 |
| Total Airlines | | 5,160,237 |
| Banks (4.8%) | | |
| 700,000 | Abbey National Treasury Services PLC (United Kingdom), (144A), 3.875%, due 11/10/14 ⁽¹⁾ | 713,401 |
| 1,000,000 | Bank of America Corp., 5.625%, due 07/01/20 | 1,034,328 |
| 3,000,000 | BankBoston Capital Trust IV, 0.852%, due 06/08/28 ⁽²⁾ | 2,446,152 |
| 1,400,000 | Chase Capital III, 0.804%, due 03/01/27 ⁽²⁾ | 1,161,712 |
| 400,000 | Chase Capital VI, 0.898%, due 08/01/28 ⁽²⁾ | 330,984 |
| 557,672 | CIT Group, Inc., 7%, due 05/01/14 | 567,083 |
| 2,000,000 | Citigroup, Inc., 0.807%, due 08/25/36 ⁽²⁾ | 1,491,620 |
| 975,000 | Lloyds TSB Bank PLC (United Kingdom), 4.875%, due 01/21/16 | 997,030 |
| 650,000 | Lloyds TSB Bank PLC (United Kingdom), (144A), 5.8%, due 01/13/20 ⁽¹⁾ | 678,191 |
| 1,000,000 | NationsBank Capital Trust III, 0.828%, due 01/15/27 ⁽²⁾ | 813,280 |
| 1,300,000 | Royal Bank of Scotland PLC (The) (United Kingdom), 3.95%, due 09/21/15 | 1,306,550 |
| 1,400,000 | Union Bank NA, 3%, due 06/06/16 | 1,403,455 |

Total Banks

12,943,786

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

Schedule of Investments (Unaudited) (Continued)

| Principal Amount | Fixed Income Securities | Value |
|--|--|------------|
| Corporate Bonds (Continued) | | |
| Coal (0.3%) | | |
| \$ 675,000 | Arch Coal, Inc., (144A), 7%, due 06/15/19 ⁽¹⁾ | \$ 681,750 |
| Diversified Financial Services (1.7%) | | |
| 650,000 | Cantor Fitzgerald LP, (144A), 6.375%, due 06/26/15 ⁽¹⁾ | 668,421 |
| 2,000,000 | General Electric Capital Corp., 0.741%, due 08/15/36 ⁽²⁾ | 1,646,550 |
| 1,400,000 | International Lease Finance Corp., (144A), 6.5%, due 09/01/14 ⁽¹⁾ | 1,480,500 |
| 300,000 | JPMorgan Chase Capital XXVII, 7%, due 11/01/39 | 300,548 |
| 700,000 | U.S. Education Loan Trust IV LLC, (144A), 0.245%, due 03/01/41 ⁽¹⁾⁽²⁾ | 616,001 |
| Total Diversified Financial Services | | 4,712,020 |
| Electric (3.8%) | | |
| 850,000 | AES Corp., 7.75%, due 10/15/15 | 911,625 |
| 2,000,000 | Calpine Construction Finance Co., LP/CCFC Finance Corp., (144A), 8%, due 06/01/16 ⁽¹⁾ | 2,170,000 |
| 2,250,000 | Dynegy Roseton/Danskammer Pass Through Trust, Series B, 7.67%, due 11/08/16(EETC) | 2,002,500 |
| 650,000 | Edison Mission Energy, 7%, due 05/15/17 | 526,500 |
| 849,609 | Mirant Mid Atlantic Pass Through Trust, Series B, 9.125%, due 06/30/17(EETC) | 913,329 |
| 1,169,153 | Mirant Mid Atlantic Pass Through Trust, Series C, 10.06%, due 12/30/28(EETC) | 1,309,452 |
| 980,000 | NRG Energy, Inc., (144A), 7.625%, due 01/15/18 ⁽¹⁾ | 992,250 |
| 1,500,000 | Puget Energy, Inc., 6.5%, due 12/15/20 | 1,552,500 |
| Total Electric | | 10,378,156 |
| Engineering & Construction (0.3%) | | |
| 700,000 | BAA Funding, Ltd., (144A), 4.875%, due 07/15/21 ⁽¹⁾ | 688,505 |
| Gas (1.8%) | | |
| 1,500,000 | Sabine Pass LNG, LP, (144A), 7.5%, due 11/30/16 ⁽¹⁾ | 1,462,500 |
| 1,535,000 | Sabine Pass LNG, LP, 7.5%, due 11/30/16 | 1,573,375 |
| 2,066,000 | Southern Union Co., 7.2%, due 11/01/66 ⁽²⁾ | 1,923,962 |
| Total Gas | | 4,959,837 |
| Healthcare-Services (1.5%) | | |
| 1,000,000 | Community Health Systems, Inc., 8.875%, due 07/15/15 | 1,031,250 |
| 1,000,000 | HCA, Inc., 8.5%, due 04/15/19 | 1,105,000 |
| 2,000,000 | Universal Health Services, Inc., 6.75%, due 11/15/11 | 2,043,102 |
| Total Healthcare-Services | | 4,179,352 |
| Media (1.5%) | | |
| 570,000 | CCH II LLC / CCH II Capital Corp., 13.5%, due 11/30/16 | 671,175 |
| 3,010,000 | CSC Holdings LLC, 8.5%, due 04/15/14 | 3,348,625 |
| Total Media | | 4,019,800 |
| Real Estate (0.5%) | | |

Edgar Filing: TCW STRATEGIC INCOME FUND INC - Form N-CSRS

| | | |
|--------------------|--|------------------|
| 1,375,000 | Post Apartment Homes, LP, 4.75%, due 10/15/17 | 1,396,032 |
| REIT (1.3%) | | |
| 1,000,000 | HCP, Inc., 6%, due 01/30/17 | 1,102,459 |
| 1,000,000 | Health Care REIT, Inc., 4.7%, due 09/15/17 | 1,027,855 |
| 700,000 | Healthcare Realty Trust, Inc., 5.75%, due 01/15/21 | 717,628 |
| 700,000 | Healthcare Realty Trust, Inc., 6.5%, due 01/17/17 | 781,290 |
| Total REIT | | 3,629,232 |

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

June 30, 2011

| Principal Amount | Fixed Income Securities | Value |
|------------------|--|-------------|
| | Corporate Bonds (Continued) | |
| | Telecommunications (0.5%) | |
| \$ 650,000 | iPCS, Inc., 3.523%, due 05/01/14 ⁽²⁾ | \$ 625,625 |
| 790,000 | Nextel Communications, Inc., 5.95%, due 03/15/14 | 791,975 |
| | Total Telecommunications | 1,417,600 |
| | Trucking & Leasing (0.4%) | |
| 952,000 | AWAS Aviation Capital, Ltd., (144A), 7%, due 10/15/16 ⁽¹⁾ | 981,750 |
| | Total Corporate Bonds (Cost: \$53,066,840) | 55,148,057 |
| | Municipal Bonds (0.7%) | |
| 650,000 | Illinois State Build America Bonds, 4.071%, due 01/01/14 | 673,348 |
| 600,000 | Illinois State Build America Bonds, 6.63%, due 02/01/35 | 594,438 |
| 650,000 | Illinois State General Obligation, 5.665%, due 03/01/18 | 674,908 |
| | Total Municipal Bonds (Cost: \$1,891,954) | 1,942,694 |
| | Total Fixed Income Securities (Cost: \$ 256,347,686) (101.6%) | 276,172,582 |
| | Convertible Securities | |
| | Convertible Corporate Bonds (2.5%) | |
| | Building Materials (0.0%) | |
| 45,000 | Cemex SAB de CV (Mexico), 4.875%, due 03/15/15 | 44,831 |
| | Commercial Services (0.3%) | |
| 907,000 | Euronet Worldwide, Inc., 3.5%, due 10/15/25 | 914,936 |
| | Diversified Financial Services (0.3%) | |
| 256,000 | Janus Capital Group, Inc., 3.25%, due 07/15/14 | 278,656 |
| 625,000 | Jefferies Group, Inc., 3.875%, due 11/01/29 | 628,125 |
| | Total Diversified Financial Services | 906,781 |
| | Energy-Alternate Sources (0.0%) | |
| 45,000 | JA Solar Holdings Co., Ltd., 4.5%, due 05/15/13 | 41,625 |
| | Insurance (0.6%) | |
| 1,517,000 | Hilltop Holdings, Inc., (144A), 7.5%, due 08/15/25 ⁽¹⁾ | 1,598,539 |
| | Mining (0.1%) | |
| 224,000 | Sterlite Industries India, Ltd., 4%, due 10/30/14 | 220,920 |
| | Oil & Gas (0.3%) | |

Edgar Filing: TCW STRATEGIC INCOME FUND INC - Form N-CSRS

| | | |
|-------------------------------|---|---------|
| 884,000 | Transocean, Inc., Series C, 1.5%, due 12/15/37 | 870,740 |
| Pharmaceuticals (0.1%) | | |
| 353,000 | Omnicare, Inc., 3.25%, due 12/15/35 | 339,321 |
| Retail (0.1%) | | |
| 140,000 | RadioShack Corp., (144A), 2.5%, due 08/01/13 ⁽¹⁾ | 140,525 |
| Semiconductors (0.2%) | | |
| 159,000 | Rovi Corp., 2.625%, due 02/15/40 | 216,240 |
| 220,000 | Xilinx, Inc., 3.125%, due 03/15/37 | 279,950 |
| Total Semiconductors | | 496,190 |

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

Schedule of Investments (Unaudited) (Continued)

| Principal Amount | Convertible Securities | Value |
|------------------|--|--------------|
| | Convertible Corporate Bonds (Continued) | |
| | Telecommunications (0.5%) | |
| \$ 1,297,000 | Ciena Corp., 0.25%, due 05/01/13 | \$ 1,267,688 |
| | Total Convertible Corporate Bonds (Cost: \$6,421,717) | 6,842,096 |
| | Number of Shares | |
| | Convertible Preferred Stocks (0.6%) | |
| | Electric (0.3%) | |
| 16,500 | AES Corp., \$3.375 | 812,790 |
| | Oil & Gas (0.3%) | |
| 8,200 | Chesapeake Energy Corp., \$5.00 | 809,750 |
| | Total Convertible Preferred Stocks (Cost: \$1,473,300) | 1,622,540 |
| | Total Convertible Securities (Cost: \$7,895,017) (3.1%) | 8,464,636 |
| | Common Stock | |
| | Banks (1.1%) | |
| 33,100 | JPMorgan Chase & Co. | 1,355,114 |
| 33,900 | Morgan Stanley | 780,039 |
| 17,750 | State Street Corp. | 800,347 |
| | Total Banks | 2,935,500 |
| | Chemicals (0.4%) | |
| 20,100 | Du Pont (E.I.) de Nemours & Co. | 1,086,405 |
| | Computers (0.7%) | |
| 27,000 | Dell, Inc. ⁽⁶⁾ | 450,090 |
| 5,900 | International Business Machines Corp. | 1,012,145 |
| 27,500 | Seagate Technology PLC (Ireland) | 444,400 |
| | Total Computers | 1,906,635 |
| | Diversified Financial Services (0.6%) | |
| 12,300 | American Express Co. | 635,910 |
| 15,472 | Ameriprise Financial, Inc. | 892,425 |
| 11,500 | Blackstone Group, LP (The) | 190,440 |
| | Total Diversified Financial Services | 1,718,775 |

Edgar Filing: TCW STRATEGIC INCOME FUND INC - Form N-CSRS

| Diversified Manufactures (1.5%) | | |
|--|---|------------------|
| 52,200 | General Electric Co. | 984,492 |
| 20,950 | Honeywell International, Inc. | 1,248,410 |
| 39,000 | Textron, Inc. | 920,790 |
| 19,600 | Tyco International, Ltd. | 968,828 |
| Total Diversified Manufactures | | 4,122,520 |
| Electric (0.3%) | | |
| 19,800 | American Electric Power Co., Inc. | 746,064 |
| Electronics (0.7%) | | |
| 34,700 | TE Connectivity, Ltd. | 1,275,572 |
| 8,350 | Thermo Fisher Scientific, Inc. ⁽⁶⁾ | 537,657 |
| Total Electronics | | 1,813,229 |

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

June 30, 2011

| Number of Shares | Common Stock | Value |
|---|---------------------------------------|------------|
| Entertainment (0.2%) | | |
| 51,800 | Regal Entertainment Group | \$ 639,730 |
| Food (0.5%) | | |
| 35,700 | Kraft Foods, Inc., Class A | 1,257,711 |
| Forest Products & Paper (0.2%) | | |
| 13,600 | MeadWestvaco Corp. | 453,016 |
| Healthcare-Products (0.3%) | | |
| 7,400 | Johnson & Johnson | 492,248 |
| 4,800 | Teleflex, Inc. | 293,088 |
| Total Healthcare-Products | | 785,336 |
| Healthcare-Services (0.1%) | | |
| 57,100 | Tenet Healthcare Corp. ⁽⁶⁾ | 356,304 |
| Home Builders (0.2%) | | |
| 36,150 | Lennar Corp., Class A | 656,123 |
| Household Products/Wares (0.6%) | | |
| 17,500 | Avery Dennison Corp. | 676,025 |
| 14,500 | Kimberly-Clark Corp. | 965,120 |
| Total Household Products/Wares | | 1,641,145 |
| Insurance (0.8%) | | |
| 21,100 | Allstate Corp. (The) | 644,183 |
| 30,100 | MBIA, Inc. ⁽⁶⁾ | 261,569 |
| 21,400 | Travelers Cos., Inc. (The) | 1,249,332 |
| Total Insurance | | 2,155,084 |
| Internet (0.2%) | | |
| 25,100 | Symantec Corp. ⁽⁶⁾ | 494,972 |
| Iron & Steel (0.2%) | | |
| 11,900 | United States Steel Corp. | 547,876 |
| Media (0.5%) | | |
| 17,100 | CBS Corp., Class B | 487,179 |
| 34,500 | Comcast Corp., Class A | 874,230 |
| Total Media | | 1,361,409 |
| Mining (0.3%) | | |

Edgar Filing: TCW STRATEGIC INCOME FUND INC - Form N-CSRS

| | | |
|-----------------------------|---|------------------|
| 45,000 | Alcoa, Inc. | 713,700 |
| Oil & Gas (1.9%) | | |
| 5,900 | Anadarko Petroleum Corp. | 452,884 |
| 14,600 | Chevron Corp. | 1,501,464 |
| 12,700 | Devon Energy Corp. | 1,000,887 |
| 21,650 | Ensco International PLC (United Kingdom) (SP ADR) | 1,153,945 |
| 23,000 | Nabors Industries, Ltd. ⁽⁶⁾ | 566,720 |
| 18,200 | Valero Energy Corp. | 465,374 |
| | Total Oil & Gas | 5,141,274 |

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

Schedule of Investments (Unaudited) (Continued)

| Number of Shares | Common Stock | Value |
|------------------|--|-------------------|
| | Oil & Gas Services (0.3%) | |
| 11,800 | Baker Hughes, Inc. | \$ 856,208 |
| | Packaging & Containers (0.3%) | |
| 25,400 | Packaging Corp. of America | 710,946 |
| | Pharmaceuticals (0.6%) | |
| 74,500 | Pfizer, Inc. | 1,534,700 |
| | REIT (0.2%) | |
| 34,850 | Kimco Realty Corp. | 649,604 |
| | Retail (0.8%) | |
| 22,100 | Foot Locker, Inc. | 525,096 |
| 27,000 | Gap, Inc. (The) | 488,700 |
| 29,600 | Home Depot, Inc. (The) | 1,072,112 |
| | Total Retail | 2,085,908 |
| | Savings & Loans (0.2%) | |
| 41,100 | New York Community Bancorp, Inc. | 616,089 |
| | Semiconductors (0.5%) | |
| 43,500 | Intel Corp. | 963,960 |
| 13,900 | Microchip Technology, Inc. | 526,949 |
| | Total Semiconductors | 1,490,909 |
| | Software (0.1%) | |
| 16,400 | CA, Inc. | 374,576 |
| | Telecommunications (1.4%) | |
| 35,100 | AT&T, Inc. | 1,102,491 |
| 17,862 | Motorola Mobility Holdings, Inc. ⁽⁶⁾ | 393,679 |
| 15,157 | Motorola Solutions, Inc. ⁽⁶⁾ | 697,828 |
| 99,100 | Sprint Nextel Corp. ⁽⁶⁾ | 534,149 |
| 80,800 | Windstream Corp. | 1,047,168 |
| | Total Telecommunications | 3,775,315 |
| | Total Common Stock (Cost: \$37,428,035) (15.7%) | 42,627,063 |

Principal Amount

Short-Term Investments

Edgar Filing: TCW STRATEGIC INCOME FUND INC - Form N-CSRS

| | | |
|---|--|----------------|
| Repurchase Agreement (0.4%) | | |
| \$ 1,190,479 | State Street Bank & Trust Company, 0.01%, due 07/01/11 (collateralized by \$1,210,000, U.S. Treasury Note, 1.75%, due 05/31/16, valued at \$1,218,305) (Total Amount to be Received Upon Repurchase \$1,190,479) | 1,190,479 |
| U.S. Government Obligations (0.2%) | | |
| 500,000 | U.S. Treasury Bill, 0.02%, due 09/08/11 ⁽⁷⁾ | 499,986 |
| Total Short-Term Investments (Cost \$1,690,446) (0.6%) | | 1,690,465 |
| TOTAL INVESTMENTS (Cost \$303,361,184) (121.0%) | | 328,954,746 |
| LIABILITIES IN EXCESS OF OTHER ASSETS (21.0%) | | (57,037,694) |
| NET ASSETS (100.0%) | | \$ 271,917,052 |

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

June 30, 2011

| Number of Contracts | Futures Contracts | Expiration Date | Notional Contract Value | Net Unrealized Appreciation |
|------------------------|------------------------------|--------------------|-------------------------------|--------------------------------|
| 92 | Nikkei 225 Index Futures | 9/8/11 | \$ 4,554,000 | \$ 232,300 |
| 3 | S&P 500 Index Futures | 9/15/11 | 986,625 | 41,840 |
| 1 | S&P 500 E Mini Index Futures | 9/16/11 | 65,775 | 2,847 |
| | | | \$ 5,606,400 | \$ 276,987 |

Notes to Schedule of Investments:

- (1) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At June 30, 2011, the value of these securities amounted to \$40,124,345 or 14.8% of net assets. These securities are determined to be liquid by the Advisor, unless otherwise noted, under procedures established by and under the general supervision of the Fund's Board of Directors.
- (2) Floating or variable rate security. The interest shown reflects the rate in effect at June 30, 2011.
- (3) A portion of the principal balance has been written-off during the period due to defaults in the underlying loans.
- (4) All or a portion of this security is segregated to cover when-issued, delayed-delivery or forward commitments (Note 2).
- (5) As of June 30, 2011, security is not accruing interest.
- (6) Non-income producing security.
- (7) All or a portion of this security is segregated to cover open futures contracts.

ADR - American Depositary Receipt. Shares of a foreign based corporation held in U.S. banks entitling the shareholder to all dividends and capital gains.

SP ADR - Sponsored American Depositary Receipt. Shares of a foreign based corporation held in U.S. banks that are issued with the cooperation of the company whose stock underlies the ADR and entitles the shareholder to all dividends, capital gains and voting rights.

CDO - Collateralized Debt Obligation.

EETC - Enhanced Equipment Trust Certificate.

I/F - Inverse Floating rate security whose interest rate moves in the opposite direction of prevailing interest rates.

I/O - Interest Only Security.

P/O - Principal Only Security.

PAC - Planned Amortization Class.

TAC - Target Amortization Class.

REIT - Real Estate Investment Trust.

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

Investments by Industry (Unaudited)

June 30, 2011

| Industry | Percentage of Net Assets |
|--------------------------------------|-------------------------------------|
| Private Mortgage-Backed Securities | 46.1% |
| Asset-Backed Securities | 23.0 |
| U.S. Government Agency Obligations | 9.6 |
| Banks | 5.9 |
| Electric | 4.4 |
| Diversified Financial Services | 2.6 |
| Oil & Gas | 2.5 |
| Telecommunications | 2.4 |
| Media | 2.0 |
| Airlines | 1.9 |
| Gas | 1.8 |
| Healthcare-Services | 1.6 |
| Diversified Manufactures | 1.5 |
| Real Estate Investment Trusts (REIT) | 1.5 |
| Insurance | 1.4 |
| Retail | 0.9 |
| Electric Utilities | 0.8 |
| Computers | 0.7 |
| Electronics | 0.7 |
| Municipal Bonds | 0.7 |
| Pharmaceuticals | 0.7 |
| Semiconductors | 0.7 |
| Household Products/Wares | 0.6 |
| Food | 0.5 |
| | Percentage of Net Assets |
| Industry | |
| Hotels, Restaurants & Leisure | 0.5% |
| Real Estate | 0.5 |
| Chemicals | 0.4 |
| Mining | 0.4 |
| Satellite Communications | 0.4 |
| Trucking & Leasing | 0.4 |
| Coal | 0.3 |
| Commercial Services | 0.3 |
| Engineering & Construction | 0.3 |
| Healthcare-Products | 0.3 |
| Oil & Gas Services | 0.3 |
| Packaging & Containers | 0.3 |
| Entertainment | 0.2 |
| Forest Products & Paper | 0.2 |
| Home Builders | 0.2 |
| Internet | 0.2 |
| Iron & Steel | 0.2 |
| Savings & Loans | 0.2 |
| Collateralized Debt Obligation | 0.2 |
| Software | 0.1 |
| Building Materials | 0.0* |
| Energy-Alternate Sources | 0.0* |
| Short-Term Investments | 0.6 |

| | |
|-------|--------|
| Total | 121.0% |
|-------|--------|

* Value rounds to less than 0.1% of net assets.

See accompanying notes to financial statements.

14

TCW Strategic Income Fund, Inc.

Statement of Assets and Liabilities (Unaudited)

June 30, 2011

| | |
|---|---------------------------|
| ASSETS: | |
| Investments, at Value (Cost: \$303,361,184) | \$ 328,954,746 |
| Receivable for Securities Sold | 466,611 |
| Interest and Dividends Receivable | 2,225,167 |
| Receivable for Daily Variation Margin on Open Futures Contracts | 22,760 |
| Total Assets | 331,669,284 |
| LIABILITIES: | |
| Payables for Borrowings | 54,340,250 |
| Distributions Payable | 4,599,124 |
| Payables for Securities Purchased | 303,089 |
| Interest Payable on Borrowings | 172,899 |
| Accrued Investment Advisory Fees | 154,008 |
| Accrued Other Expenses | 149,038 |
| Accrued Directors Fees and Expenses | 29,060 |
| Accrued Compliance Expense | 4,764 |
| Total Liabilities | 59,752,232 |
| NET ASSETS | \$ 271,917,052 |
| NET ASSETS CONSIST OF: | |
| Common Stock, par value \$0.01 per share (75,000,000 shares authorized, 47,609,979 shares issued and outstanding) | \$ 476,100 |
| Paid-in Capital | 287,408,668 |
| Accumulated Net Realized Loss on Investments and Futures Contracts | (49,452,296) |
| Undistributed Net Investment Income | 7,614,031 |
| Net Unrealized Appreciation on Investments and Futures Contracts | 25,870,549 |
| NET ASSETS | \$ 271,917,052 |
| NET ASSET VALUE PER SHARE | \$ 5.71 |
| MARKET PRICE PER SHARE | \$ 5.32 |

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

Statement of Operations (Unaudited)

Six Months Ended June 30, 2011

| | |
|--|----------------------|
| INVESTMENT INCOME: | |
| Income | |
| Interest | \$ 14,795,136 |
| Dividends | 537,330 |
| Total Investment Income | 15,332,466 |
| Expenses | |
| Investment Advisory Fees | 909,085 |
| Interest Expense | 320,426 |
| Audit and Tax Service Fees | 61,178 |
| Accounting Fees | 55,107 |
| Legal Fees | 49,594 |
| Directors' Fees and Expenses | 48,998 |
| Custodian Fees | 33,682 |
| Proxy Expense | 32,590 |
| Transfer Agent Fees | 32,179 |
| Printing and Distribution Costs | 23,454 |
| Compliance Expense | 22,263 |
| Listing Fees | 21,901 |
| Miscellaneous | 14,024 |
| Administration Fees | 9,230 |
| Insurance Expense | 7,058 |
| Total Expenses | 1,640,769 |
| Net Investment Income | 13,691,697 |
| NET REALIZED GAIN AND CHANGE IN UNREALIZED DEPRECIATION ON INVESTMENTS AND FUTURES CONTRACTS: | |
| Net Realized Gain on: | |
| Investments | 5,040,561 |
| Futures Contracts | 330,421 |
| Change in Unrealized Appreciation (Depreciation) on: | |
| Investments | (806,183) |
| Futures Contracts | 276,987 |
| Net Realized Gain and Change in Unrealized Depreciation on Investments and Futures Contracts | 4,841,786 |
| INCREASE IN NET ASSETS FROM OPERATIONS | \$ 18,533,483 |

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

Statements of Changes in Net Assets

| | Six Months Ended June 30, 2011 (Unaudited) | Year Ended December 31, 2010 |
|---|--|---------------------------------|
| INCREASE IN NET ASSETS: | | |
| OPERATIONS: | | |
| Net Investment Income | \$ 13,691,697 | \$ 42,858,610 |
| Net Realized Gain on Investments and Futures Contracts | 5,370,982 | 20,665,409 |
| Change in Unrealized Appreciation (Depreciation) on Investments and Futures Contracts | (529,196) | 1,123,451 |
| Increase in Net Assets Resulting from Operations | 18,533,483 | 64,647,470 |
| DISTRIBUTIONS TO SHAREHOLDERS: | | |
| From Net Investment Income | (9,198,248) | (29,375,358) |
| Total Increase in Net Assets | 9,335,235 | 35,272,112 |
| NET ASSETS: | | |
| Beginning of Period | 262,581,817 | 227,309,705 |
| End of Period | \$ 271,917,052 | \$ 262,581,817 |
| Undistributed Net Investment Income | \$ 7,614,031 | \$ 3,120,582 |

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

Statement of Cash Flows (Unaudited)

Six Months Ended June 30, 2011

| | |
|---|---------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | |
| Increase in Net Assets From Operations | \$ 18,533,483 |
| Adjustments to Reconcile Increase in Net Assets Resulting From Operations to Net Cash Used by Activities: | |
| Investments Purchased | (92,496,730) |
| Proceeds from Investments Sold | 73,646,998 |
| Net Increase in Short-Term Investments | (649,686) |
| Net Amortization/Accretion of Premium/(Discount) | (187,678) |
| Decrease in Interest and Dividends Receivable | 15,481 |
| Increase in Accrued Directors Fees and Expenses | 10,325 |
| Increase in Accrued Compliance Expense | 197 |
| Increase in Accrued Investment Advisory Fees | 3,114 |
| Decrease in Variation Margin on Futures | (22,760) |
| Increase in Interest Payable on Borrowings | 29,272 |
| Decrease in Accrued Other Expenses | (16,706) |
| Realized and Unrealized (Gain)/Loss on Investments | (4,234,379) |
| Net Cash Used by Operating Activities | (5,369,069) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | |
| Distributions to Shareholders | (22,048,181) |
| Increase in Borrowings | 26,422,250 |
| Net Cash from Financing Activities | 4,374,069 |
| Net Change in Cash | (995,000) |
| Cash at Beginning of Year | 995,000 |
| Cash at End of Year | \$ |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION: | |
| Interest paid during the year | \$ 291,154 |

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

Notes to Financial Statements (Unaudited)

June 30, 2011

Note 1 Significant Accounting Policies:

TCW Strategic Income Fund, Inc. (the Fund) was incorporated in Maryland on January 13, 1987 as a diversified, closed-end investment management company and is registered under the Investment Company Act of 1940, as amended, and is traded on the New York Stock Exchange under the symbol TSI. The Fund commenced operations on March 5, 1987. The Fund's investment objective is to seek a total return comprised of current income and capital appreciation by investing in convertible securities, marketable equity securities, investment-grade debt securities, high-yield debt securities, options, securities issued or guaranteed by the United States Government, its agencies and instrumentalities (U.S. Government Securities), repurchase agreements, mortgage related securities, asset-backed securities, money market securities and other securities without limit believed by the Fund's investment advisor to be consistent with the Fund's investment objective. TCW Investment Management Company (the Advisor) is the investment advisor to the Fund and is registered under the Investment Advisers Act of 1940.

Security Valuation: Securities traded on national exchanges are valued at the last reported sales price or the mean of the current bid and asked prices if there are no sales in the trading period. Other securities which are traded on the over-the-counter market are valued at the mean of the current bid and asked prices. Short-term debt securities with maturities of 60 days or less at the time of purchase are valued at amortized cost. Other short-term debt securities are valued on a mark-to-market basis until such time as they reach a remaining maturity of 60 days, where upon they will be valued at amortized value using their value of the 61st day prior to maturity.

Securities for which market quotations are not readily available, including circumstances under which it is determined by the Advisor that sale or mean prices are not reflective of a security's market value, are valued at their fair value as determined in good faith under procedures established by and under the general supervision of the Fund's Board of Directors. There were no fair valued securities at June 30, 2011.

Fair value is defined as the price that a fund would receive upon selling an investment in a timely transaction to an independent buyer in the principal or most advantageous market for the investment. In accordance with the authoritative guidance on fair value measurements and disclosures under the accounting principles generally accepted in the United States of America (GAAP), the Fund discloses investments in a three-tier hierarchy. This hierarchy is utilized to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized in the three broad Levels listed below.

Level 1 quoted prices in active markets for identical investments

Level 2 other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)

Level 3 significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

TCW Strategic Income Fund, Inc.

Notes to Financial Statements (Unaudited) (Continued)

Note 1 Significant Accounting Policies (Continued):

Changes in valuation techniques may result in transfers in or out of an investment's assigned Level within the hierarchy. The inputs or methodology used for valuing investments are not necessarily an indication of the risk associated with investing in those investments and the determination of the significance of a particular input to the fair value measurement in its entirety requires judgment and consideration of factors specific to each security.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

In periods of market dislocation, the observability of prices and inputs may be reduced for many instruments. This condition, as well as changes related to liquidity of investments, could cause a security to be reclassified between Level 1, Level 2, or Level 3.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes the Level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Fair Value Measurements: A description of the valuation techniques applied to the Fund's major categories of assets and liabilities measured at fair value on a recurring basis follows:

Equity securities. Securities are generally valued based on quoted prices from the applicable exchange. To the extent these securities are actively traded, valuation adjustments are not applied and they are categorized as Level 1 of the fair value hierarchy. Restricted securities issued by publicly held companies are valued at a discount to similar publicly traded securities and may be categorized as Level 2 of the fair value hierarchy to the extent that the discount is considered to be insignificant to the fair value measurement in its entirety, otherwise they may be categorized as Level 3. Restricted securities held in non-public entities are included in Level 3 of the fair value hierarchy because they trade infrequently, and, therefore, the inputs are unobservable. Certain foreign securities may be fair valued using a pricing service that considers the correlation of the trading patterns of the foreign security to the intraday trading in the U.S. markets for investments such as depositary receipts, futures, exchange-traded funds (ETFs), and the movement of certain indexes of securities based on a statistical analysis of the historical relationship and are categorized in Level 2 of the fair value hierarchy.

Futures contracts. Futures contracts are generally valued at the settlement price established at the close of business each day by the board of trade or exchange on which they are traded. The value of each of the Fund's futures contracts is marked to market daily and an appropriate payable or receivable for the change in value (variation margin) is recorded by the Fund. As such, they are categorized as Level 1.

Corporate bonds. The fair value of corporate bonds is estimated using recently executed transactions, market price quotations (where observable), bond spreads, or credit default swap spreads adjusted for any basis difference between cash and derivative instruments. Corporate bonds are generally categorized in

TCW Strategic Income Fund, Inc.

June 30, 2011

Note 1 Significant Accounting Policies (Continued):

Level 2 of the fair value hierarchy; in instances where prices, spreads, or any of the other aforementioned key inputs are unobservable, they are categorized in Level 3 of the hierarchy.

Asset-backed securities, mortgage-backed securities and collateralized debt obligations. The fair value of asset-backed securities, mortgage-backed securities and collateralized debt obligations is estimated based on models that consider the estimated cash flows of each debt tranche of the issuer, establish a benchmark yield, and develop an estimated tranche specific spread to the benchmark yield based on the unique attributes of the tranche including, but not limited to, the prepayment speed assumptions and attributes of the collateral. To the extent the inputs are observable and timely, the values would be categorized in Level 2 of the fair value hierarchy, otherwise they would be categorized as Level 3.

Bank loans. The fair value of bank loans is estimated using recently executed transactions, market price quotations, credit/market events, and cross-asset pricing. Inputs are generally observable market inputs obtained from independent sources. Bank loans are generally categorized in Level 2 of the fair value hierarchy, unless key inputs are unobservable, in which case they would then be in Level 3.

U.S. Government and agency securities. U.S. government and agency securities are normally valued using a model that incorporates market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers, quoted market prices, and reference data. Accordingly, U.S. government and agency securities are normally categorized in Level 2 of the fair value hierarchy.

Restricted securities. Restricted securities that are deemed to be both Rule 144A securities and illiquid, as well as restricted securities held in non-public entities, are included in Level 3 of the fair value hierarchy because they trade infrequently, and, therefore, the inputs are unobservable. Any other restricted securities are valued at a discount to similar publicly traded securities and may be categorized as Level 2 of the fair value hierarchy to the extent that the discount is considered to be insignificant to the fair value measurement in its entirety; otherwise they may be categorized as Level 3.

The following is a summary of the inputs used as of June 30, 2011 in valuing the Fund's investments:

| Description | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Total |
|-------------------------------|--|---|--|---------------|
| Fixed Income Securities | | | | |
| Asset-Backed Securities | \$ | \$ 62,634,492 | \$ | \$ 62,634,492 |
| Bank Loans | | | | |
| Electric Utilities | | 2,167,543 | | 2,167,543 |
| Hotels, Restaurants & Leisure | | 1,350,000 | | 1,350,000 |
| Satellite Communications | | 1,004,600 | | 1,004,600 |
| Total Bank Loans | | 4,522,143 | | 4,522,143 |

Edgar Filing: TCW STRATEGIC INCOME FUND INC - Form N-CSRS

| | | |
|--|-------------|-------------|
| Collateralized Debt Obligation | 468,751 | 468,751 |
| Collateralized Mortgage Obligations | | |
| Private Mortgage-Backed Securities | 125,461,966 | 125,461,966 |
| U.S. Government Agency Obligations | 25,994,479 | 25,994,479 |
| Total Collateralized Mortgage Obligations | 151,456,445 | 151,456,445 |

TCW Strategic Income Fund, Inc.

Notes to Financial Statements (Unaudited) (Continued)

Note 1 Significant Accounting Policies (Continued):

| Description | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Total |
|--|---|---|--|--------------------|
| Corporate Bonds | | | | |
| Airlines | \$ | \$ 5,160,237 | \$ | \$ 5,160,237 |
| Banks | | 12,943,786 | | 12,943,786 |
| Coal | | 681,750 | | 681,750 |
| Diversified Financial Services | | 4,712,020 | | 4,712,020 |
| Electric | | 10,378,156 | | 10,378,156 |
| Engineering & Construction | | 688,505 | | 688,505 |
| Gas | | 4,959,837 | | 4,959,837 |
| Healthcare-Services | | 4,179,352 | | 4,179,352 |
| Media | | 4,019,800 | | 4,019,800 |
| Real Estate | | 1,396,032 | | 1,396,032 |
| REIT | | 3,629,232 | | 3,629,232 |
| Telecommunications | | 1,417,600 | | 1,417,600 |
| Trucking & Leasing | | 981,750 | | 981,750 |
| Total Corporate Bonds | | 55,148,057 | | 55,148,057 |
| Municipal Bonds | | 1,942,694 | | 1,942,694 |
| Total Fixed Income Securities | | 276,172,582 | | 276,172,582 |
| Convertible Securities | | | | |
| Convertible Corporate Bonds | | | | |
| Building Materials | | 44,831 | | 44,831 |
| Commercial Services | | 914,936 | | 914,936 |
| Diversified Financial Services | | 906,781 | | 906,781 |
| Energy-Alternate Sources | | 41,625 | | 41,625 |
| Insurance | | 1,598,539 | | 1,598,539 |
| Mining | | 220,920 | | 220,920 |
| Oil & Gas | | 870,740 | | 870,740 |
| Pharmaceuticals | | 339,321 | | 339,321 |
| Retail | | 140,525 | | 140,525 |
| Semiconductors | | 496,190 | | 496,190 |
| Telecommunications | | 1,267,688 | | 1,267,688 |
| Total Convertible Corporate Bonds | | 6,842,096 | | 6,842,096 |
| Convertible Preferred Stocks | | | | |
| Electric | 812,790 | | | 812,790 |

Edgar Filing: TCW STRATEGIC INCOME FUND INC - Form N-CSRS

| | | | |
|------------------------------------|-----------|-----------|-----------|
| Oil & Gas | 809,750 | | 809,750 |
| Total Convertible Preferred Stocks | 1,622,540 | | 1,622,540 |
| Total Convertible Securities | 1,622,540 | 6,842,096 | 8,464,636 |

TCW Strategic Income Fund, Inc.

June 30, 2011

Note 1 Significant Accounting Policies (Continued):

| Description | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Total |
|--------------------------------|---|---|--|--------------|
| Common Stock | | | | |
| Banks | \$ 2,935,500 | \$ | \$ | \$ 2,935,500 |
| Chemicals | 1,086,405 | | | 1,086,405 |
| Computers | 1,906,635 | | | 1,906,635 |
| Diversified Financial Services | 1,718,775 | | | 1,718,775 |
| Diversified Manufactures | 4,122,520 | | | 4,122,520 |
| Electric | 746,064 | | | 746,064 |
| Electronics | 1,813,229 | | | 1,813,229 |
| Entertainment | 639,730 | | | 639,730 |
| Food | 1,257,711 | | | 1,257,711 |
| Forest Products & Paper | 453,016 | | | 453,016 |
| Healthcare-Products | 785,336 | | | 785,336 |
| Healthcare-Services | 356,304 | | | 356,304 |
| Home Builders | 656,123 | | | 656,123 |
| Household Products/Wares | 1,641,145 | | | 1,641,145 |
| Insurance | 2,155,084 | | | 2,155,084 |
| Internet | 494,972 | | | 494,972 |
| Iron & Steel | 547,876 | | | 547,876 |
| Media | 1,361,409 | | | 1,361,409 |
| Mining | 713,700 | | | 713,700 |
| Oil & Gas | 5,141,274 | | | 5,141,274 |
| Oil & Gas Services | 856,208 | | | 856,208 |
| Packaging & Containers | 710,946 | | | 710,946 |
| Pharmaceuticals | 1,534,700 | | | 1,534,700 |
| REIT | 649,604 | | | 649,604 |
| Retail | 2,085,908 | | | 2,085,908 |
| Savings & Loans | 616,089 | | | 616,089 |
| Semiconductors | 1,490,909 | | | 1,490,909 |
| Software | 374,576 | | | 374,576 |
| Telecommunications | 3,775,315 | | | 3,775,315 |
| Total Common Stock | 42,627,063 | | | 42,627,063 |
| Short-Term Investments | 499,986 | 1,190,479 | | 1,690,465 |
| Total Investments | 44,749,589 | 284,205,157 | | 328,954,746 |
| Derivatives | | | | |
| Futures Contracts | | | | |
| Equity Risk | 276,987 | | | 276,987 |

Edgar Filing: TCW STRATEGIC INCOME FUND INC - Form N-CSRS

| | | | |
|-------|---------------|----------------|----------------|
| Total | \$ 45,026,576 | \$ 284,205,157 | \$ 329,231,733 |
|-------|---------------|----------------|----------------|

The Fund did not have any transfers in and out of Level 1 and Level 2 of the fair value hierarchy during the six months ended June 30, 2011.

The Fund held no investments or other financial instruments at June 30, 2011 whose fair value was categorized using Level 3 inputs.

The Fund's policy on transfer between Levels is to recognize them at the beginning of the reporting period.

TCW Strategic Income Fund, Inc.

Notes to Financial Statements (Unaudited) (Continued)

Note 1 Significant Accounting Policies (Continued):

Security Transactions and Related Investment Income: Security transactions are recorded on the trade date. Dividend income is recorded on the ex-dividend date, while interest income is recorded on the accrual basis. Discounts, including original issue discounts, and premiums on securities purchased are amortized using a constant yield-to-maturity method. Realized gains and losses on investments are recorded on the basis of specific identified cost.

Distributions: Distributions to shareholders are recorded on ex-dividend date. The Fund declares and pays, or reinvests, dividends quarterly based on the managed distribution plan adopted by the Fund's Board of Directors. Under the Plan, the Fund will distribute a cash dividend equal to 7% of the Fund's net asset value on an annualized basis. The distribution will be based on the Fund's net asset value from the previous calendar year-end. The source for the dividend comes from net investment income and net realized capital gains measured on a fiscal year basis. Any portion of the distribution that exceeds income and capital gains will be treated as a return of capital. Under certain conditions, federal tax regulations cause some or all of the return of capital to be taxed as ordinary income. Income and capital gain distributions are determined in accordance with income tax regulations which may differ from GAAP. These differences may be primarily due to differing treatments for market discount and premium, losses recognized for defaults or write-off on structured debt, losses deferred due to wash sales and spillover distributions. Permanent book and tax basis differences relating to shareholder distributions will result in reclassifications to paid-in capital and may affect net investment income per share.

Foreign Currency Translation: The books and records of the Fund are maintained in U.S. dollars as follows: (1) the foreign currency market value of investment securities, and other assets and liabilities stated in foreign currencies, are translated using the daily spot rate; and (2) purchases, sales, income and expenses are translated at the rate of exchange prevailing on the respective dates of such transactions. The resultant exchange gains and losses are included in net realized or net unrealized gain (loss). Pursuant to U.S. federal income tax regulations, certain foreign exchange gains and losses included in realized and unrealized gains and losses are included in, or are a reduction of, ordinary income for federal income tax purposes.

Derivative Instruments: Derivatives are financial instruments whose values are based on the values of one or more indicators, such as a security, asset, currency, interest rate, or index. Derivative transactions can create investment leverage and may be highly volatile. It is possible that a derivative transaction will result in a loss greater than the principal amount invested. The Fund may not be able to close out a derivative transaction at a favorable time or price.

At June 30, 2011, the Fund had the following derivatives.

| | Total Equity Risk |
|--|----------------------------------|
| Asset Derivatives | |
| Futures Contracts | \$ 276,987 |
| Realized Gain | |
| Futures Contracts | \$ 330,421 |
| Change in Unrealized Appreciation | |
| Futures Contracts | \$ 276,987 |
| Average Number of Contracts | |
| Futures Contracts | 93 |

Edgar Filing: TCW STRATEGIC INCOME FUND INC - Form N-CSRS

Amount represents average number of contracts outstanding during the period in which derivatives trading took place for the Fund.

TCW Strategic Income Fund, Inc.

June 30, 2011

Note 1 Significant Accounting Policies (Continued):

Futures Contracts: The Fund may seek to manage a variety of different risks through the use of futures contracts, such as interest rate risk, equity price risk, and currency risk. The Fund may use index futures to hedge against broad market risks to its portfolio or to gain broad market exposure when it holds uninvested cash or as an inexpensive substitute for cash investments directly in securities or other assets. Securities index futures contracts are contracts to buy or sell units of a securities index at a specified future date at a price agreed upon when the contract is made and are settled in cash. Positions in futures may be closed out only on an exchange or board of trade which provides a secondary market for such futures. Because futures contracts are exchange-traded, they typically have minimal exposure to counterparty risk. During the six months ended June 30, 2011, the Fund invested in index futures to opportunistically increase equity exposure in response to the market fall-off ensuing after the earthquake in Japan.

Parties to a futures contract are not required to post the entire notional amount of the contract, but rather a small percentage of that amount (by way of margin), both at the time they enter into futures transactions, and then on a daily basis if their positions decline in value; as a result, futures contracts are highly leveraged. Such payments are known as variation margin and are recorded by the Fund as unrealized gains or losses. Because futures markets are highly leveraged, they can be extremely volatile, and there can be no assurance that the pricing of a futures contract will correlate precisely with the pricing of the asset or index underlying it or the asset or liability of the Fund that is the subject of the hedge. It may not always be possible for the Fund to enter into a closing transaction with respect to a futures contract it has entered into, at a favorable time or price. When the Fund enters into a futures transaction, it is subject to the risk that the value of the futures contract will move in a direction unfavorable to it. When the Fund uses futures contracts for hedging purposes, it is likely that the Fund will have an asset or liability that will offset any loss (or gain) on the transactions, at least in part.

When a futures contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

The Fund had the following open futures contracts at June 30, 2011:

| Number of Contracts | Type | Expiration Date | Notional Contract Value | Net Unrealized Appreciation |
|---------------------|------------------------------|-----------------|-------------------------|-----------------------------|
| BUYS | | | | |
| 92 | Nikkei 225 Index Futures | 9/8/11 | \$ 4,554,000 | \$ 232,300 |
| 3 | S&P 500 Index Futures | 9/15/11 | 986,625 | 41,840 |
| 1 | S&P 500 E Mini Index Futures | 9/16/11 | 65,775 | 2,847 |
| | | | \$ 5,606,400 | \$ 276,987 |

Mortgage-Backed Securities: The Fund may invest in mortgage pass-through securities which represent interests in pools of mortgages in which payments of both principal and interest on the securities are generally made monthly, in effect passing through monthly payments made by borrowers on the residential or commercial mortgage loans which underlie the securities (net of any fees paid to the issuer or guarantor of the securities). Mortgage pass-through securities differ from other forms of debt securities, which normally provide for periodic payment of interest in fixed amounts with principal payments at maturity or specified call dates. The Fund may also invest in Collateralized Mortgage Obligations (CMOs). CMOs are debt obligations collateralized by residential or commercial mortgage loans or residential or commercial mortgage pass-through securities. Interest and principal are generally paid monthly. CMOs may be collateralized by whole mortgage loans or private mortgage pass-through securities but are more typically collateralized by portfolios of mortgage pass-through securities guaranteed

TCW Strategic Income Fund, Inc.

Notes to Financial Statements (Unaudited) (Continued)

Note 1 Significant Accounting Policies (Continued):

by Ginnie Mae, Freddie Mac or Fannie Mae. The issuer of a series of CMOs may elect to be treated for tax purposes as a Real Estate Mortgage Investment Conduit (REMIC). CMOs are structured into multiple classes, each bearing a different stated maturity. Monthly payment of principal received from the pool of underlying mortgages, including prepayments, is first returned to investors holding the shortest maturity class. Investors holding the longer maturity classes usually receive principal only after shorter classes have been retired. An investor may be partially protected against a sooner than desired return of principal because of the sequential payments. The Fund may invest in stripped mortgage-backed securities. Stripped mortgage-backed securities are usually structured with two classes that receive different proportions of the interest and principal distributions on a pool of mortgage assets. In certain cases, one class will receive all of the interest (the interest-only or IO class), while the other class will receive all of the principal (the principal-only or PO class). The yield to maturity on IOs is sensitive to the rate of principal repayments (including prepayments) on the related underlying mortgage assets, and principal payments may have a material effect on yield to maturity. If the underlying mortgage assets experience greater than anticipated prepayments of principal, the Fund may not fully recoup its initial investment in IOs.

When-Issued, Delayed-Delivery, and Forward Commitment Transactions: The Fund may enter into when-issued, delayed-delivery, or forward commitment transactions in order to lock in the purchase price of the underlying security, or in order to adjust the interest rate exposure of the Fund's existing portfolio. In when-issued, delayed-delivery, or forward commitment transactions, a Fund commits to purchase or sell particular securities, with payment and delivery to take place at a future date. Although a Fund does not pay for the securities or start earning interest on them until they are delivered, it immediately assumes the risks of ownership, including the risk of price fluctuation. If a Fund's counterparty fails to deliver a security purchased on a when-issued, delayed-delivery, or forward commitment basis, there may be a loss, and the Fund may have missed an opportunity to make an alternative investment.

Prior to settlement of these transactions, the value of the subject securities will fluctuate, reflecting interest rate changes. In addition, because the Fund is not required to pay for when-issued, delayed-delivery, or forward commitment securities until the delivery date, they may result in a form of leverage to the extent the Fund does not maintain liquid assets equal to the face amount of the contract. To guard against the deemed leverage, the Fund segregates cash or securities in the amount equal to or greater than the committed amount.

Repurchase Agreements: The Fund may invest in repurchase agreements secured by U.S. Government Securities. A repurchase agreement arises when the Fund purchases a security and simultaneously agrees to resell it to the seller at an agreed upon future date. The Fund requires the seller to maintain the value of the securities, marked to market daily, at not less than the repurchase price. If the seller defaults on its repurchase obligation, the Fund could suffer delays, collection expenses and losses to the extent that the proceeds from the sale of the collateral are less than the repurchase price.

Note 2 Federal Income Taxes:

It is the policy of the Fund to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and distribute all of its net taxable income, including any net realized gains on investments, to its shareholders. Therefore, no federal income tax provision is required.

TCW Strategic Income Fund, Inc.

June 30, 2011

Note 2 Federal Income Taxes (Continued):

At June 30, 2011, net unrealized appreciation for federal income tax purposes is comprised of the following components:

| | |
|--|----------------------|
| Appreciated securities | \$ 39,826,729 |
| Depreciated securities | (14,495,862) |
| Net unrealized appreciation | \$ 25,330,867 |
| Cost of securities for federal income tax purposes | \$ 303,623,879 |

The Fund did not have any unrecognized tax benefits at June 30, 2011, nor were there any increases or decreases in unrecognized tax benefits for the period then ended; therefore no interest or penalties were accrued. The Fund is subject to examination by U.S. federal and state tax authorities for returns filed for the prior three and four fiscal years, respectively.

Note 3 Investment Advisory and Service Fees:

As compensation for the services rendered, facilities provided, and expenses borne, the Advisor is paid a monthly fee by the Fund computed at the annual rate of 0.75% of the first \$100 million of the Fund's average managed assets and 0.50% of the Fund's average managed assets in excess of \$100 million.

In addition to the management fees, the Fund reimburses, with approval by the Fund's Board of Directors, a portion of the Advisor's costs associated in support of the Fund's Rule 38a-1 compliance obligations, which is included in the Statement of Operations.

Note 4 Purchases and Sales of Securities:

For the six months ended June 30, 2011, purchases and sales or maturities of investment securities (excluding short-term investments) aggregated \$88,715,676 and \$67,452,592, respectively for non-U.S. Government Securities and aggregated \$1,304,022 and \$5,523,409, respectively, for U.S. Government Securities.

Note 5 Security Lending:

The Fund can lend securities to brokers. The brokers must provide collateral, which must be maintained at not less than 100% of the value of the loaned securities, to secure the obligation. The Fund receives income, net of broker fees, by investing the collateral. The Fund did not lend securities any time during the six months ended June 30, 2011.

Note 6 Directors Fees:

Directors who are not affiliated with the Advisor received, as a group, fees and expenses of \$48,998 from the Fund for the six months ended June 30, 2011. Certain Officers and/or Directors of the Fund are also Officers and/or Directors of the Advisor.

Note 7 Restricted Securities:

Edgar Filing: TCW STRATEGIC INCOME FUND INC - Form N-CSRS

The Fund is permitted to invest in securities that are subject to legal or contractual restrictions on resale. These securities may be resold in transactions exempt from registration or to the public if the securities are registered. Disposal of these securities may involve time consuming negotiations and expense, and prompt sale at an acceptable price may be difficult. There were no restricted securities (excluding Rule 144A issues) at June 30, 2011.

TCW Strategic Income Fund, Inc.

Notes to Financial Statements (Unaudited) (Continued)

Note 8 Loan Outstanding:

The Fund is permitted to have borrowings for investment purposes. The Fund has entered into a line of credit agreement with The Bank of New York Mellon which permits the Fund to borrow up to \$70 million at a rate, per annum, equal to the Federal Funds Rate plus 1.25%. There is also an annual commitment fee of \$35,000. The average daily loan balance during the period for which loans were outstanding amounted to \$43,857,540, and the weighted average interest rate was 1.36%. Interest expense on the line of credit was \$320,426 for the six months ended June 30, 2011. The maximum outstanding loan balance during the six months ended June 30, 2011 was \$60,620,250.

Note 9 Indemnifications:

Under the Fund's organizational documents, its Officers and Directors may be indemnified against certain liabilities and expenses arising out of the performance of their duties to the Fund, and shareholders are indemnified against personal liability for the obligations of the Fund. Additionally, in the normal course of business, the Fund enters into agreements with service providers that may contain indemnification clauses. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. However, based on experience, the Fund expects the risk of loss to be remote. The Fund has not accrued any liability in connection with such indemnification.

Note 10 Recently Issued Accounting Pronouncement:

In May 2011, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2011-04, Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs, which amends U.S. GAAP to conform it with fair value measurement and disclosure requirements in International Financial Reporting Standards (IFRS). The amendments in ASU No. 2011-04 change the wording used to describe the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements. ASU No. 2011-04 is effective for during interim and annual periods beginning after December 15, 2011. The Fund is in the process of evaluating the disclosure requirements and any impact the new disclosures will have on its financial statements.

TCW Strategic Income Fund, Inc.

Financial Highlights

| | Six Months Ended June 30, 2011 (Unaudited) | Year Ended December 31, | | | | |
|---|--|-------------------------|------------|------------|------------|------------|
| | | 2010 | 2009 | 2008 | 2007 | 2006 |
| Net Asset Value Per Share, Beginning of Period | \$ 5.52 | \$ 4.77 | \$ 3.64 | \$ 4.27 | \$ 5.60 | \$ 5.35 |
| Income from Operations: | | | | | | |
| Net Investment Income ⁽¹⁾ | 0.29 | 0.90 | 0.78 | 0.52 | 0.38 | 0.30 |
| Net Realized and Unrealized Gain (Loss) on Investments | 0.09 | 0.47 | 0.86 | (0.77) | (1.28) | 0.33 |
| Total from Investment Operations | 0.38 | 1.37 | 1.64 | (0.25) | (0.90) | 0.63 |
| Less Distributions: | | | | | | |
| Distributions from Net Investment Income | (0.19) | (0.62) | (0.51) | (0.38) | (0.43) | (0.38) |
| Net Asset Value Per Share, End of Period | \$ 5.71 | \$ 5.52 | \$ 4.77 | \$ 3.64 | \$ 4.27 | \$ 5.60 |
| Market Value Per Share, End of Period | \$ 5.32 | \$ 5.22 | \$ 4.37 | \$ 3.07 | \$ 3.67 | \$ 5.11 |
| Total Investment Return ⁽²⁾ | 5.64 % ⁽³⁾ | 34.54% | 60.97% | (6.32)% | (20.70)% | 17.50% |
| Net Asset Value Total Return ⁽⁴⁾ | 6.78 % ⁽³⁾ | 29.53% | 46.61% | (6.03)% | (16.54)% | 12.16% |
| Ratios/Supplemental Data: | | | | | | |
| Net Assets, End of Period (in thousands) | \$ 271,917 | \$ 262,582 | \$ 227,310 | \$ 173,408 | \$ 203,302 | \$ 266,518 |
| Ratio of Expenses Before Interest Expense to Average Net Assets | 0.97 % ⁽⁵⁾ | 1.00% | 1.12% | 1.10% | 0.86% | 1.00% |
| Ratio of Interest Expense to Average Net Assets | 0.24 % ⁽⁵⁾ | 0.19% | 0.34% | 0.65% | 0.32% | 0.55% |
| Ratio of Total Expenses to Average Net Assets | 1.21 % ⁽⁵⁾ | 1.19% | 1.47% | 1.75% | 1.18% | 1.55% |
| Ratio of Net Investment Income to Average Net Assets | 10.08 % ⁽⁵⁾ | 16.67% | 18.62% | 12.89% | 7.60% | 5.52% |
| Portfolio Turnover Rate | 23.08 % ⁽³⁾ | 49.30% | 30.31% | 42.44% | 74.98% | 174.33% |

(1) Computed using average shares outstanding throughout the period.

(2) Based on market price per share, adjusted for reinvestment of distributions.

(3) For the six months ended June 30, 2011 and not indicative of a full year's results.

(4) Based on net asset value per share, adjusted for reinvestment of distributions.

(5) Annualized.

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

Extension of Advisory Agreement

TCW Strategic Income Fund, Inc. (the **Fund**) and TCW Investment Management Company (the **Advisor**) are parties to an Investment Advisory and Management Agreement (**Advisory Agreement**), pursuant to which the Advisor is responsible for managing the investments of the Fund. At a meeting held on June 16, 2011, the Board of Directors of the Fund (the **Board**) approved extending the term of the Advisory Agreement until October 31, 2011. The Board requested that the annual review of the Advisory Agreement be deferred until October in order to permit the report prepared by Morningstar Associates LLC, an independent third party consultant, to contain information as of the most recent practicable date.

In reaching its decision to approve the extension to the Advisory Agreement, the Board considered information furnished to it throughout the year at regular and special Board meetings, including detailed investment performance reports. The structure and format for this regular reporting was developed in consultation with the Board. The Board determined that it had received from the Advisor such information on an ongoing basis as was reasonably necessary to approve the extension to the Advisory Agreement. The approval determination was made on the basis of each Director's business judgment after consideration of all the information taken as a whole.

The extension was designed to enable the Board to conduct its annual review of the Advisory Agreement at the third quarter meeting going forward. Please see the Fund's Annual Report for disclosure regarding the material factors and the conclusions with respect to those factors that formed the basis for the Board's annual approval of the Advisory Agreement.

TCW Strategic Income Fund, Inc.

Supplemental Information (Unaudited)

Proxy Voting Guidelines

The policies and procedures that the Fund uses to determine how to vote proxies are available without charge. The Board of Directors of the Fund has delegated the Fund's proxy voting authority to the Advisor.

Disclosure of Proxy Voting Guidelines

The proxy voting guidelines of the Advisor are available:

1. By calling 1-(877) 829-4768 to obtain a hard copy; or
2. By going to the SEC website at <http://www.sec.gov>.

When the Fund receives a request for a description of the Advisor's proxy voting guidelines, it will be sent out via first class mail (or other means designed to ensure equally prompt delivery) within three business days of receiving the request.

The Advisor, on behalf of the Fund, must prepare and file Form N-PX with the SEC not later than August 31 of each year, which must include the Fund's proxy voting record for the most recent twelve-month period ended June 30 of that year. The Fund's proxy voting record for the most recent twelve-month period ended June 30 is available:

1. By calling 1-(877) 829-4768 to obtain a hard copy; or
2. By going to the SEC website at <http://www.sec.gov>.

When the Fund receives a request for the Fund's proxy voting record, it will send the information disclosed in the Fund's most recently filed report on Form N-PX via first class mail (or other means designed to ensure equally prompt delivery) within three business days of receiving the request. The Fund also discloses its proxy voting record on its website as soon as is reasonably practicable after its report on Form N-PX is filed with the SEC.

Availability of Quarterly Portfolio Schedule

The Fund files a complete schedule of its portfolio holdings with the SEC for the first and third quarters of its fiscal year on Form N-Q. The Form N-Q is available by calling 1-(877) 829-4768 to obtain a hard copy. You may also obtain the Fund's Form N-Q:

1. By going to the SEC website at <http://www.sec.gov>; or
2. By visiting the SEC's Public Reference Room in Washington, D.C. and photocopying it (Phone 1-800-SEC-0330 for information on the operation of the SEC's Public Reference Room).

Corporate Governance Listing Standards

Edgar Filing: TCW STRATEGIC INCOME FUND INC - Form N-CSRS

In accordance with Section 303A.12 (a) of the New York Stock Exchange Listed Company Manual, the Fund's Annual CEO Certification certifying compliance with NYSE's Corporate Governance Listing Standards was submitted to the Exchange on October 14, 2010.

Item 2. Code of Ethics. Not applicable.

Item 3. Audit Committee Financial Expert. Not applicable.

Item 4. Principal Accountant Fees and Services. Not applicable.

Item 5. Audit of Committee of Listed Registrants. Not applicable.

Item 6. Schedule of Investments. Not Applicable.

Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies. Not applicable.

Item 8. Portfolio Managers of Closed-End Management Investment Companies. Not applicable.

Item 9. Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers. Not applicable.

Item 10. Submission of Matters to a vote of Security Holders. Not Applicable.

Item 11. Controls and Procedures.

- (a) The Chief Executive Officer and Chief Financial Officer have concluded that the registrant's disclosure controls and procedures (as defined in rule 30a-2(c) under the Investment Company Act of 1940) provide reasonable assurances that material information relating to the registrant is made known to them by the appropriate persons as of a date within 90 days of the filing date of this report, based on their evaluation of these controls and procedures required by Rule 30a-3(b) under the Investment Company Act of 1940 and 15d-15(b) under the Exchange Act.
- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) that occurred during the registrant's second fiscal quarter covered by this report that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 12. Exhibits.

- (a) EX-99.CERT Section 302 Certifications (filed herewith).
- EX-99.906CERT Section 906 Certification (filed herewith).

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) TCW Strategic Income Fund, Inc.

By (Signature and Title)
/s/ Charles W. Baldiswieler
Charles W. Baldiswieler
Chief Executive Officer

Date August 29, 2011

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 (Signature and Title)
/s/ Charles W. Baldiswieler
Charles W. Baldiswieler
Chief Executive Officer

Date August 29, 2011

By (Signature and Title)
/s/ David S. DeVito
David S. DeVito
Chief Financial Officer

Date August 29, 2011