

TCW STRATEGIC INCOME FUND INC
Form N-CSRS
August 19, 2016

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: 811-04980

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)

Patrick W. Dennis, Esq.

Assistant 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, 2016

Item 1. Report to Shareholders.

TCW Strategic Income Fund, Inc.

President's Letter

David S. DeVito

President, Chief Executive Officer & Director

Dear Valued Shareholder,

TCW is pleased to present the 2016 semi-annual report for the TCW Strategic Income Fund (TSI or the Fund). TSI is a multi-asset class closed-end fund managed by TCW Investment Management Company and is listed on the New York Stock Exchange under the symbol TSI. For the first half of 2016, the stock price of the Fund realized a 5.22% return and the Fund's net asset value (NAV) increased by 1.74% (i.e., returns of the underlying assets). The TSI Custom Index gained 5.65% over the same six-month period. The Fund's year-to-date price-based return exceeded the NAV-based return, which narrowed the discount the share price traded with respect to the Fund's NAV. The stock price discount to NAV began the year at 9.6% and subsequently tightened to 6.7% by June 30, 2016, thus increasing the relative returns of the TSI shares as compared with the returns of the underlying net asset valuation. Annualized price based performance for the trailing 3-Year period of 4.20% trailed the Index, while annualized price based returns for the trailing 5-Year period and longer remained well ahead of the Fund's benchmark.

Fund Performance

	Annualized Total Return as of June 30, 2016						Since	Since
	YTD	1 Year	3 Year	5 Year	10 Year	3/1/06 ⁽²⁾	3/5/87 ⁽³⁾	
Price Based Return	5.22%	9.71%	4.20%	9.08%	11.59%	11.11%	8.31%	
NAV Based Return	1.74%	1.91%	5.20%	8.64%	10.37%	9.93%	8.74%	
Custom Benchmark ⁽¹⁾	5.65%	2.91%	5.63%	6.06%	6.42%	6.18%	N/A	

(1) Custom Benchmark Index: 15% S&P 500 with Income, 15% Merrill Lynch Convertible Index, 45% Barclays Capital Aggregate Bond Index, 25% Citi High Yield Cash Pay Index. Past performance is no guarantee of future results. Current performance may be lower or higher than that quoted. The market value and net asset value of the Fund's shares will fluctuate with market conditions. Returns shown do not reflect the deduction of taxes that a shareholder would pay on the Fund's distributions. You should not draw any conclusions about the Fund's performance from the amount of the quarterly distribution or from the terms of the Fund's distribution policy.

(2) The date on which the Fund's investment objective changed to a multi-asset class fund. Prior to this date, the Fund primarily invested in convertible securities.

(3) Inception date of the Fund.

Distributions by the Fund are based on the net investment income, with a stated goal of providing dependable, but not assured, quarterly distributions out of the Fund's accumulated net investment income and/or other sources. We believe this dividend policy is in the best interests of the shareholders and the Fund. In the first half of 2016, the Fund made two quarterly distributions of \$0.0487 and \$0.0520 per share.

Leading up to late June's Brexit referendum to decide the United Kingdom's future in the European Union, complacency continued to prevail across U.S. markets. While the S&P 500 equity index climbed higher, the corporate bond sector, especially high yield, outpaced stocks as the appetite for risk appeared undiminished. Even after the Leave outcome surprised expectations for a narrow Remain victory, the initially extreme volatility proved short-lived as markets quickly recovered, indicating confidence among investors that the Federal Reserve (Fed) and its fellow global central banks would maintain the dovish policies that have supported asset prices with few interruptions since the 2008 financial crisis. To wit, at its June meeting, the Fed lowered its estimate for the longer-run funds rate to 3% and halved projections of

President's Letter (Continued)

future rate increases from four to two hikes this year. Thus, the circumstances reflected a continuation of the first quarter's theme of decoupled fundamentals—economic and credit—and technicals, wherein a litany of weak indicators of the former were offset by the latter. And what were those indicators? Notably, on the fundamental side, GDP growth remained at a sluggish pace with Q1's latest posting at a 1.1% annualized rate, as stunted productivity weighed on the pace of expansion. Further, May job creation came in at a six-year low and even a vastly improved June report failed to lift the monthly average for the quarter above 150,000. Add in the corporate profit stagnation that has begun to exhibit late-cycle signs of reversal and it remains difficult to see the underlying source of market optimism.

Immediately following the Brexit vote, the U.S. Treasury market experienced the greatest price impact, as flight-to-safety flows pushed the 10-Year yield below 1.4% briefly for the first time in history, exacerbating an already pronounced flattening trend across the yield curve. Despite the somewhat surprising nature of the outcome, the rally in risk markets that started mid-February was not ultimately derailed through the second quarter, as investor appetite for U.S. credit remained strong, fed by the overall search for yield. Investment grade credits outperformed Treasuries by almost 100 basis points and produced total returns of 3.5%, notwithstanding record issuance this quarter and deteriorating fundamentals. Meanwhile, high yield credits returned an impressive 5.5% for the quarter, supported by strong inflows and the ongoing recovery in energy and commodity-related sectors as oil prices stabilized from their first quarter lows. Increased market volatility and declining rates also did not inhibit returns to securitized products. Asset-backed securities (ABS) and commercial mortgage-backed securities (CMBS) outperformed Treasuries by 50 and 37 basis points, respectively, on the back of solid demand for less volatile assets, while agency residential mortgage-backed securities (MBS) performed in line with Treasuries over the quarter, given solid performance in April and May. Also, from an off-Index perspective, non-agency MBS posted strong returns for the quarter, largely recovering from a weak start to the year. On the basis of the strong U.S. Treasury performance and declining risk premiums, the Barclays Aggregate Index returned 2.2% for the quarter.

Performance for the Fund trailed the Custom Benchmark for the first half of 2016, largely due to the Fund's defensive duration position given the decline in U.S. Treasury rates since the start of the year. Performance was also held back by the relative underweight to high yield credit and equities, which gained approximately 9% and 4%, respectively, year-to-date as commodity prices recovered from February lows and demand for risk assets returned. As spreads widened early in the year, investment grade credit exposure moved to a relative overweight during the quarter, which allowed the Fund a bit more participation in the credit market rally since February, though positioning remained underweight in commodity-related sectors, which led among corporates. The emphasis on financials resulted in a small drag as the sector lagged Treasuries, weighed down by insurers and banks which came under pressure due to concern about the low interest rate environment's potential impact on earnings and profitability. Meanwhile, the allocation among securitized products contributed, helping to offset some of the drag. Returns benefitted from the allocation to non-agency MBS, which rebounded in the second quarter due to the rally in risk assets and continued improvement in underlying fundamentals. ABS, which represents a relative overweight in the Fund, contributed modestly as the sector remained fairly isolated from global volatility, particularly Federal Family Education Loan Program (FFELP) student loans, which tightened

President's Letter (Continued)

throughout the second quarter with some support coming from the release of Moody's final (and less stringent than expected) rating methodology. No downgrades have been announced, however, and the final decision on potential downgrades was pushed back by six months. Further contributions came from the relative underweight to lagging agency MBS, while the small overweight to CMBS contributed on the margin.

As for the outlook, the lateness in the credit cycle and potential for further convention-defying political behavior inform the view. This anticipates episodic volatility and motivates a wariness of growing downside risks to the markets. Consequently, the Fund remains defensively positioned and prepared for better risk-adjusted return opportunities as the credit cycle extends. The duration profile remains shorter than the Index, while sector positioning is conservative and issue selection is focused on higher-quality credits with yields that we believe provide fair value. The relative underweight to corporate credit was reduced opportunistically on spread widening in January, with additions focused on bendable areas of the market those which we believe have the resilience to withstand potential volatility. Corporate positioning remains focused on U.S. financials given limited re-leveraging risk and reasonable yields, while exposure to industrial credit remains selective, favoring asset-heavy companies with stable cash flows and strong balance sheets. High yield credit exposure in the Fund remains modest given relatively low yields and a wariness of increasing defaults, though as this asset class unwinds and sentiment weakens, opportunities should arise. Structured products continue to offer attractive risk-adjusted returns and protection, and therefore represent an overweight versus the Index. Non-agency MBS remains compelling due to the available yield, potential for price upside, and solid fundamentals, though allocations will likely drift lower as prices rise. Agency MBS continues to represent a relative underweight despite being higher quality and more liquid, as yield compensation remains small historically and prepayment risk weighs on the market in this low rate environment. CMBS and ABS holdings are focused on high quality collateral in the senior most parts of the capital structure, often with government guarantees, making them solid defensive credits.

TSI's equity exposure is currently implemented with long positions in S&P 500 Index futures that had a notional value representing 1.2% of the Fund's market value as of June 30, 2016. The position was gradually trimmed from year-end levels as equity valuations increased, though a meaningful correction in equity prices might lead to an increase in the equity allocation.

Modest leverage can be utilized by the Fund through a Line of Credit facility, though the Fund does not currently use any of the available \$70 million commitment. Leverage has been used when market opportunity was abundant and has been subsequently scaled back in response to a market environment less conducive to risk taking. Additionally, the cash position in the Fund has been increased for partial protection and to allow opportunistic investing in case of potential asset repricing.

We greatly appreciate your investment in the Fund and your continuing support of TCW. In the event that 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,

David S. DeVito

President, Chief Executive Officer and Director

TCW Strategic Income Fund, Inc.

Schedule of Investments (Unaudited)

Principal Amount	Fixed Income Securities	Value
	Asset-Backed Securities (14.1% of Net Assets)	
\$ 1,150,000	A Voce CLO, Ltd., (14-1A-A1B), (144A), 2.088%, due 07/15/26 ⁽¹⁾⁽²⁾	\$ 1,136,245
777,891	AMUR Finance I LLC, (13-1), 10%, due 01/25/22	707,904
529,571	AMUR Finance I LLC, (13-2), 10%, due 03/20/24	471,333
565,000	BA Credit Card Trust, (07-A11-A11), 0.504%, due 12/15/19 ⁽¹⁾	563,882
1,150,000	Babson CLO, Ltd., (14-IA-A1), (144A), 2.124%, due 07/20/25 ⁽¹⁾⁽²⁾	1,145,073
851,052	Bayview Commercial Asset Trust, (03-2-A), (144A), 1.316%, due 12/25/33 ⁽¹⁾⁽²⁾	786,716
710,091	Bayview Commercial Asset Trust, (04-1-A), (144A), 0.806%, due 04/25/34 ⁽¹⁾⁽²⁾	651,945
680,845	Bayview Commercial Asset Trust, (04-2-A), (144A), 0.876%, due 08/25/34 ⁽¹⁾⁽²⁾	616,049
339,586	Bayview Commercial Asset Trust, (04-3-A1), (144A), 0.816%, due 01/25/35 ⁽¹⁾⁽²⁾	304,250
987,427	Bayview Commercial Asset Trust, (06-4A-A1), (144A), 0.676%, due 12/25/36 ⁽¹⁾⁽²⁾	813,452
473,981	Bayview Commercial Asset Trust, (07-3-A1), (144A), 0.686%, due 07/25/37 ⁽¹⁾⁽²⁾	392,621
2,200,000	Brazos Higher Education Authority, Inc., (10-1-A2), 1.862%, due 02/25/35 ⁽¹⁾	2,073,936
565,000	Chase Issuance Trust, (12-A2-A2), 0.704%, due 05/15/19 ⁽¹⁾	565,656
992,878	CIT Education Loan Trust, (07-1-A), (144A), 0.72%, due 03/25/42 ⁽¹⁾⁽²⁾	920,319
1,140,000	Dryden Senior Loan Fund, (15-37A A), (144A), 2.128%, due 04/15/27 ⁽¹⁾⁽²⁾	1,138,562
1,260,000	Education Loan Asset-Backed Trust I, (13-1-A2), (144A), 1.246%, due 04/26/32 ⁽¹⁾⁽²⁾	1,175,062
675,000	EFS Volunteer LLC, (10-1-A2), (144A), 1.488%, due 10/25/35 ⁽¹⁾⁽²⁾	653,912
1,500,000	EFS Volunteer No 2 LLC, (12-1-A2), (144A), 1.796%, due 03/25/36 ⁽¹⁾⁽²⁾	1,480,076
2,350,738	GCO Education Loan Funding Master Trust II, (06-2AR-A1RN), (144A), 1.096%, due 08/27/46 ⁽¹⁾⁽²⁾	2,155,790
310,671	GE Business Loan Trust, (05-1A-A3), (144A), 0.684%, due 06/15/33 ⁽¹⁾⁽²⁾	286,363
647,069	GE Business Loan Trust, (05-2A-A), (144A), 0.674%, due 11/15/33 ⁽¹⁾⁽²⁾	617,302
351,625	Global SC Finance SRL, (14-1A-A2), (144A), 3.09%, due 07/17/29 ⁽²⁾	334,463
342,334	Goal Capital Funding Trust, (06-1-B), 1.112%, due 08/25/42 ⁽¹⁾	305,323
518,200	Higher Education Funding I, (14-1-A), (144A), 1.712%, due 05/25/34 ⁽¹⁾⁽²⁾	510,027
331,897	Honda Auto Receivables Owner Trust, (14-2-A3), 0.77%, due 03/19/18	331,760
355,000	Honda Auto Receivables Owner Trust, (15-1-A3), 1.05%, due 10/15/18	355,369
270,000	ING Investment Management CLO, Ltd., (14-1A-A1), (144A), 2.133%, due 04/18/26 ⁽¹⁾⁽²⁾	269,769
542,250	Leaf II Receivables Funding LLC, (13-1-E2), (144A), 6%, due 09/15/21 ⁽²⁾	538,292
168,021	National Collegiate Student Loan Trust, (06-3-A3), 0.596%, due 10/25/27 ⁽¹⁾	167,364
575,000	Nelnet Student Loan Trust, (14-4A-A2), (144A), 1.388%, due 11/25/43 ⁽¹⁾⁽²⁾	519,293
271,976	Nissan Auto Receivables Owner Trust, (13-C-A3), 0.67%, due 08/15/18	271,689
2,200,000	North Carolina State Education Assistance Authority, (11-1-A3), 1.156%, due 10/25/41 ⁽¹⁾	2,148,072
366,807	Peachtree Finance Co. LLC, (2005-B-A), (144A), 4.71%, due 04/15/48 ⁽²⁾	373,020
1,000,000	Scholar Funding Trust, (12-B-A2), (144A), 1.554%, due 03/28/46 ⁽¹⁾⁽²⁾	964,561
496,315	SLC Student Loan Trust, (04-1-B), 0.916%, due 08/15/31 ⁽¹⁾	422,886
427,241	SLC Student Loan Trust, (05-2-B), 0.913%, due 03/15/40 ⁽¹⁾	360,516
604,836	SLC Student Loan Trust, (06-1-B), 0.843%, due 03/15/39 ⁽¹⁾	504,448
1,000,000	SLC Student Loan Trust, (06-2-A5), 0.733%, due 09/15/26 ⁽¹⁾	975,098
2,300,000	SLM Student Loan Trust, (03-11-A6), (144A), 1.383%, due 12/15/25 ⁽¹⁾⁽²⁾	2,219,030
522,167	SLM Student Loan Trust, (04-2-B), 1.108%, due 07/25/39 ⁽¹⁾	442,164

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550,969	SLM Student Loan Trust, (05-4-B), 0.818%, due 07/25/40 ⁽¹⁾	468,021
601,060	SLM Student Loan Trust, (05-9-B), 0.938%, due 01/25/41 ⁽¹⁾	468,947
1,400,000	SLM Student Loan Trust, (06-2-A6), 0.808%, due 01/25/41 ⁽¹⁾	1,238,830
1,400,000	SLM Student Loan Trust, (06-8-A6), 0.798%, due 01/25/41 ⁽¹⁾	1,210,173

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

June 30, 2016

Principal Amount	Fixed Income Securities	Value
Asset-Backed Securities (Continued)		
\$ 183,674	SLM Student Loan Trust, (07-6-B), 1.488%, due 04/27/43 ⁽¹⁾	\$ 156,798
150,000	SLM Student Loan Trust, (07-7-B), 1.388%, due 10/27/70 ⁽¹⁾	118,836
115,098	SLM Student Loan Trust, (07-8-B), 1.638%, due 04/27/43 ⁽¹⁾	96,891
225,000	SLM Student Loan Trust, (08-2-B), 1.838%, due 01/25/83 ⁽¹⁾	188,867
225,000	SLM Student Loan Trust, (08-3-B), 1.838%, due 04/26/83 ⁽¹⁾	189,224
225,000	SLM Student Loan Trust, (08-4-B), 2.488%, due 04/25/29 ⁽¹⁾	205,650
225,000	SLM Student Loan Trust, (08-5-B), 2.488%, due 07/25/29 ⁽¹⁾	204,330
225,000	SLM Student Loan Trust, (08-6-B), 2.488%, due 07/26/83 ⁽¹⁾	207,428
225,000	SLM Student Loan Trust, (08-7-B), 2.488%, due 07/26/83 ⁽¹⁾	199,780
225,000	SLM Student Loan Trust, (08-8-B), 2.888%, due 10/25/29 ⁽¹⁾	215,023
225,000	SLM Student Loan Trust, (08-9-B), 2.888%, due 10/25/83 ⁽¹⁾	213,723
768,625	Structured Receivables Finance LLC, (10-A-B), (144A), 7.614%, due 01/16/46 ⁽²⁾	902,084
451,018	Structured Receivables Finance LLC, (10-B-B), (144A), 7.97%, due 08/15/36 ⁽²⁾	563,768
1,450,000	Student Loan Consolidation Center, (02-2-B2), (144A), 1.821%, due 07/01/42 ⁽¹⁾⁽²⁾	1,123,425
252,742	Toyota Auto Receivables Owner Trust, (14-A-A3), 0.67%, due 12/15/17	252,588
412,890	Vermont Student Assistance Corp., (12-1-A), 1.137%, due 07/28/34 ⁽¹⁾	402,214
	Total Asset-Backed Securities (Cost: \$45,810,747)	39,296,192
Collateralized Mortgage Obligations (55.7%)		
Commercial Mortgage-Backed Securities Agency (1.3%)		
11,770,997	Federal Home Loan Mortgage Corp. Multifamily Structured Pass-Through Certificates, (K702-X1), 1.451%, due 02/25/18(I/O) ⁽¹⁾	231,820
6,289,905	Federal Home Loan Mortgage Corp. Multifamily Structured Pass-Through Certificates, (KP01-X), 3.077%, due 01/25/19(I/O) ⁽¹⁾	342,818
586,291	Federal Home Loan Mortgage Corp. Multifamily Structured Pass-Through Certificates, (KSCT-A1), 3.194%, due 12/25/19	606,398
5,061,250	Federal Home Loan Mortgage Corp. Multifamily Structured Pass-Through Certificates, (KSCT-AX), 1.249%, due 01/25/20(I/O) ⁽¹⁾	168,288
8,793,869	Federal National Mortgage Association, (11-M5-A2), 1.229%, due 07/25/21(ACES)(I/O) ⁽¹⁾	465,737
521,445	Federal National Mortgage Association, (12-M11-FA), 0.932%, due 08/25/19(ACES) ⁽¹⁾	521,716
18,020,704	Government National Mortgage Association, (09-114-IO), 0.156%, due 10/16/49(I/O) ⁽¹⁾	243,002
6,732,046	Government National Mortgage Association, (11-152-IO), 0.935%, due 08/16/51(I/O) ⁽¹⁾	229,664
7,736,046	Government National Mortgage Association, (14-125-IO), 1.033%, due 11/01/54(I/O) ⁽¹⁾	624,232
	Total Commercial Mortgage-Backed Securities Agency	3,433,675
Commercial Mortgage-Backed Securities Non-Agency (1.4%)		
260,000	BAMLL Commercial Mortgage Securities Trust, (14-520M-A), (144A), 4.184%, due 08/15/46 ⁽¹⁾⁽²⁾	291,516
8,227,462		597,597

Citigroup Commercial Mortgage Trust, (12-GC8-XA), (144A), 2.316%, due 09/10/45(I/O)
(1)(2)(3)

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

Schedule of Investments (Unaudited) (Continued)

Principal Amount	Fixed Income Securities	Value
	Commercial Mortgage-Backed Securities Non-Agency (Continued)	
\$ 166,449	JPMorgan Chase Commercial Mortgage Securities Trust, (06-CB16-A4), 5.552%, due 05/12/45	\$ 166,291
751,447	JPMorgan Chase Commercial Mortgage Securities Trust, (06-CB17-A4), 5.429%, due 12/12/43	755,760
248,629	JPMorgan Chase Commercial Mortgage Securities Trust, (10-CNTR-A1), (144A), 3.3%, due 08/05/32 ⁽²⁾	255,307
640,000	JPMorgan Chase Commercial Mortgage Securities Trust, (10-CNTR-A2), (144A), 4.311%, due 08/05/32 ⁽²⁾	691,552
17,657	JPMorgan Chase Commercial Mortgage Securities Trust, (11-C3-A2), (144A), 3.673%, due 02/15/46 ⁽²⁾	17,708
1,100,000	Morgan Stanley Bank of America Merrill Lynch Trust, (13-C11-A2), 3.085%, due 08/15/46	1,136,994
	Total Commercial Mortgage-Backed Securities Non-Agency	3,912,725
	Residential Mortgage-Backed Securities Agency (1.9%)	
203,925	Federal Home Loan Mortgage Corp., (1673-SD), 15.469%, due 02/15/24(I/F) (PAC) ⁽¹⁾	256,492
440,334	Federal Home Loan Mortgage Corp., (1760-ZD), 1.32%, due 02/15/24 ⁽¹⁾	431,724
223,234	Federal Home Loan Mortgage Corp., (2990-JK), 20.266%, due 03/15/35(I/F) ⁽¹⁾	326,104
3,919,739	Federal Home Loan Mortgage Corp., (3122-SG), 5.195%, due 03/15/36(I/O) (I/F) (TAC) (PAC) ⁽¹⁾	741,208
1,230,239	Federal Home Loan Mortgage Corp., (3239-SI), 6.215%, due 11/15/36(I/O) (I/F) (PAC) ⁽¹⁾	215,425
523,777	Federal Home Loan Mortgage Corp., (3323-SA), 5.675%, due 05/15/37(I/O) (I/F) ⁽¹⁾	72,938
494,650	Federal Home Loan Mortgage Corp., (3459-JS), 5.815%, due 06/15/38(I/O) (I/F) ⁽¹⁾	85,517
2,494,417	Federal Home Loan Mortgage Corp., (4030-HS), 6.175%, due 04/15/42(I/O) (I/F) ⁽¹⁾	500,344
3,377,635	Federal National Mortgage Association, (04-53-QV), 1.59%, due 02/25/34(I/O) (I/F) ⁽¹⁾	100,037
451,902	Federal National Mortgage Association, (07-42-SE), 5.664%, due 05/25/37(I/O) (I/F) ⁽¹⁾	69,283
3,130,877	Federal National Mortgage Association, (07-48-SD), 5.654%, due 05/25/37(I/O) (I/F) ⁽¹⁾	592,944
633,229	Federal National Mortgage Association, (09-69-CS), 6.304%, due 09/25/39(I/O) (I/F) ⁽¹⁾	124,200
3,530,187	Government National Mortgage Association, (06-35-SA), 6.161%, due 07/20/36(I/O) (I/F) ⁽¹⁾	663,004
6,086,744	Government National Mortgage Association, (06-61-SA), 4.311%, due 11/20/36(I/O) (I/F) (TAC) ⁽¹⁾	640,204
3,607,046	Government National Mortgage Association, (08-58-TS), 5.961%, due 05/20/38(I/O) (I/F) (TAC) ⁽¹⁾	500,445
	Total Residential Mortgage-Backed Securities Agency	5,319,869
	Residential Mortgage-Backed Securities Non-Agency (51.1%)	
614,188	ACE Securities Corp., (04-IN1-A1), 1.086%, due 05/25/34 ⁽¹⁾	548,661
1,950,048	ACE Securities Corp., (07-ASP1-A2C), 0.706%, due 03/25/37 ⁽¹⁾	1,173,964
1,475,794	Adjustable Rate Mortgage Trust, (05-4-6A22), 3.158%, due 08/25/35 ⁽¹⁾	444,621

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

June 30, 2016

Principal Amount	Fixed Income Securities	Value
	Residential Mortgage-Backed Securities Non-Agency (Continued)	
\$ 821,575	Adjustable Rate Mortgage Trust, (06-1-2A1), 3.27%, due 03/25/36 ⁽¹⁾⁽⁴⁾	\$ 596,782
870,232	Asset-Backed Funding Certificates, (05-HE2-M2), 1.196%, due 06/25/35 ⁽¹⁾	865,154
1,600,000	Asset-Backed Funding Certificates, (07-NC1-A2), (144A), 0.746%, due 05/25/37 ⁽¹⁾⁽²⁾	1,147,323
1,500,000	Asset-Backed Securities Corp. Home Equity, (06-HE1-A4), 0.746%, due 01/25/36 ⁽¹⁾	1,325,025
3,000,000	Asset-Backed Securities Corp. Home Equity, (06-HE3-A5), 0.716%, due 03/25/36 ⁽¹⁾	2,306,677
1,100,140	Asset-Backed Securities Corp. Home Equity, (07-HE1-A1B), 0.596%, due 12/25/36 ⁽¹⁾	946,761
2,507,036	Asset-Backed Securities Corp. Home Equity, (07-HE1-A4), 0.586%, due 12/25/36 ⁽¹⁾	2,037,742
1,471,966	Banc of America Alternative Loan Trust, (05-10-1CB1), 0.846%, due 11/25/35 ⁽¹⁾⁽⁴⁾	1,120,119
867,448	Banc of America Funding Trust, (06-3-4A14), 6%, due 03/25/36	796,153
577,659	Banc of America Funding Trust, (06-3-5A3), 5.5%, due 03/25/36 ⁽⁴⁾	539,086
226,425	BCAP LLC Trust, (09-RR4-1A1), (144A), 9.5%, due 06/26/37 ⁽²⁾	237,681
103,098	BCAP LLC Trust, (10-RR11-3A2), (144A), 3.037%, due 06/27/36 ⁽¹⁾⁽²⁾	103,166
692,558	BCAP LLC Trust, (11-RR3-1A5), (144A), 3.154%, due 05/27/37 ⁽¹⁾⁽²⁾	688,811
1,231,602	BCAP LLC Trust, (11-RR3-5A3), (144A), 5.094%, due 11/27/37 ⁽¹⁾⁽²⁾	1,199,293
530,343	BCAP LLC Trust, (11-RR5-1A3), (144A), 2.588%, due 03/26/37 ⁽¹⁾⁽²⁾	522,740
856,858	BCAP LLC Trust, (15-RR4-1A1), (144A), 1.434%, due 09/11/38 ⁽¹⁾⁽²⁾	809,465
907,072	Bear Stearns Adjustable Rate Mortgage Trust, (03-7-9A), 2.762%, due 10/25/33 ⁽¹⁾	897,928
824,156	Bear Stearns Adjustable Rate Mortgage Trust, (05-9-A1), 2.66%, due 10/25/35 ⁽¹⁾	796,406
935,806	Bear Stearns Adjustable Rate Mortgage Trust, (07-4-22A1), 4.798%, due 06/25/47 ⁽¹⁾⁽⁴⁾	834,342
971,070	Bear Stearns Asset-Backed Securities Trust, (05-AC6-1A3), 5.5%, due 09/25/35 ⁽¹⁾	973,601
610,174	Bear Stearns Asset-Backed Securities Trust, (06-IM1-A1), 0.676%, due 04/25/36 ⁽¹⁾	569,588
455,990	Centex Home Equity Loan Trust, (05-A-AF5), 5.28%, due 01/25/35	477,146
3,084,215	Centex Home Equity Loan Trust, (06-A-AV4), 0.696%, due 06/25/36 ⁽¹⁾	2,901,695
978,312	CIM Trust, (15-4AG-A1), (144A), 2.438%, due 10/25/57 ⁽¹⁾⁽²⁾	949,806
791,231	Citigroup Mortgage Loan Trust, Inc., (05-11-A2A), 2.73%, due 10/25/35 ⁽¹⁾	778,005
2,564,846	Citigroup Mortgage Loan Trust, Inc., (05-8-1A1A), 2.894%, due 10/25/35 ⁽¹⁾⁽⁴⁾	2,151,835
1,059,062	Citigroup Mortgage Loan Trust, Inc., (06-WFH3-A4), 0.686%, due 10/25/36 ⁽¹⁾	1,043,024
1,571,762	CitiMortgage Alternative Loan Trust, (06-A3-1A7), 6%, due 07/25/36 ⁽⁴⁾	1,441,001
902,535	CitiMortgage Alternative Loan Trust, (06-A5-1A8), 6%, due 10/25/36 ⁽⁴⁾	793,256
278,391	Conseco Finance Securitizations Corp., (01-4-A4), 7.36%, due 08/01/32	299,644
1,872,541	Conseco Finance Securitizations Corp., (99-6-A1), (144A), 7.36%, due 06/01/30 ⁽²⁾	1,355,044
1,200,000	Countryplace Manufactured Housing Contract Trust, (07-1-A4), (144A), 5.846%, due 07/15/37 ⁽¹⁾⁽²⁾	1,207,333
501,386	Countrywide Alternative Loan Trust, (05-20CB-4A1), 5.25%, due 07/25/20 ⁽⁴⁾	487,634
1,051,293	Countrywide Asset-Backed Certificates, (07-13-2A1), 1.346%, due 10/25/47 ⁽¹⁾	883,608
1,637,789	Countrywide Home Loans, (04-HYB4-B1), 2.724%, due 09/20/34 ⁽¹⁾⁽⁴⁾	377,717
37,832,204	Countrywide Home Loans, (06-14-X), 0.238%, due 09/25/36(I/O) ⁽¹⁾	321,252
2,081,213	Countrywide Home Loans, (06-HYB2-1A1), 2.959%, due 04/20/36 ⁽¹⁾	1,636,746
656,983	Credit Suisse First Boston Mortgage Securities Corp., (04-AR5-11A2), 1.186%, due 06/25/34 ⁽¹⁾	633,951
1,813,108	Credit Suisse First Boston Mortgage Securities Corp., (05-12-1A1), 6.5%, due 01/25/36	1,334,988

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1,005,520	Credit Suisse Mortgage Capital Certificates, (06-6-1A8), 6%, due 07/25/36 ⁽⁴⁾	762,811
826,881	Credit-Based Asset Servicing and Securitization LLC, (03-CB3-AF1), 3.379%, due 12/25/32	810,612

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

Schedule of Investments (Unaudited) (Continued)

Principal Amount	Fixed Income Securities	Value
	Residential Mortgage-Backed Securities Non-Agency (Continued)	
\$ 1,290,000	Credit-Based Asset Servicing and Securitization LLC, (05-CB4-M2), 0.896%, due 07/25/35 ⁽¹⁾	\$ 1,204,796
1,745,852	Credit-Based Asset Servicing and Securitization LLC, (06-CB1-AF2), 3.389%, due 01/25/36	1,296,334
3,087,943	Credit-Based Asset Servicing and Securitization LLC, (06-CB2-AF2), 3.522%, due 12/25/36	2,188,219
1,604,743	Credit-Based Asset Servicing and Securitization LLC, (07-CB2-A2B), 4.49%, due 02/25/37	1,158,873
1,576,680	Credit-Based Asset Servicing and Securitization LLC, (07-CB2-A2C), 4.49%, due 02/25/37	1,138,456
1,745,927	Credit-Based Asset Servicing and Securitization LLC, (07-CB3-A3), 3.974%, due 03/25/37	1,027,229
1,206,819	CSMC Trust, (14-CIM1-A1), (144A), 2.188%, due 01/25/58 ⁽¹⁾⁽²⁾	1,208,489
2,851,130	Deutsche Alt-A Securities, Inc. Mortgage Loan Trust, (06-AB2-A2), 6.061%, due 06/25/36 ⁽¹⁾⁽⁴⁾	2,427,413
1,222,084	Deutsche Alt-A Securities, Inc. Mortgage Loan Trust, (06-AR6-A6), 0.636%, due 02/25/37 ⁽¹⁾⁽⁴⁾	916,852
359,284	DSL A Mortgage Loan Trust, (06-AR2-2A1A), 0.462%, due 10/19/36 ⁽¹⁾	291,816
1,291,289	First Franklin Mortgage Loan Asset-Backed Certificates, (06-FF13-A2C), 0.606%, due 10/25/36 ⁽¹⁾	868,967
1,819,509	First Franklin Mortgage Loan Asset-Backed Certificates, (06-FF18-A2D), 0.656%, due 12/25/37 ⁽¹⁾	1,115,448
927,796	First Horizon Alternative Mortgage Securities Trust, (05-AA10-2A1), 2.676%, due 12/25/35 ⁽¹⁾⁽⁴⁾	784,793
231,217	Green Tree, (08-MH1-A2), (144A), 8.97%, due 04/25/38 ⁽¹⁾⁽²⁾	234,141
98,270	Green Tree, (08-MH1-A3), (144A), 8.97%, due 04/25/38 ⁽¹⁾⁽²⁾	99,669
442,713	Green Tree Financial Corp., (96-6-M1), 7.95%, due 09/15/27	487,650
580,587	Green Tree Financial Corp., (96-7-M1), 7.7%, due 09/15/26 ⁽¹⁾	637,484
260,145	Green Tree Financial Corp., (97-3-A5), 7.14%, due 03/15/28	271,303
107,846	Green Tree Financial Corp., (97-3-A7), 7.64%, due 03/15/28 ⁽¹⁾	113,014
401,189	Green Tree Financial Corp., (98-3-A6), 6.76%, due 03/01/30 ⁽¹⁾	430,770
477,259	Green Tree Financial Corp., (98-4-A5), 6.18%, due 04/01/30	493,486
408,116	Green Tree Financial Corp., (98-4-A6), 6.53%, due 04/01/30 ⁽¹⁾	436,878
432,147	Green Tree Financial Corp., (98-4-A7), 6.87%, due 04/01/30 ⁽¹⁾	466,447
1,000,011	Greenpoint Manufactured Housing, (00-1-A4), 8.14%, due 03/20/30 ⁽¹⁾	1,071,236
1,922,520	GSAA Home Equity Trust, (06-13-AF6), 6.04%, due 07/25/36	1,150,226
758,414	GSC Capital Corp. Mortgage Trust, (06-2-A1), 0.626%, due 05/25/36 ⁽¹⁾⁽⁴⁾	522,941
622,515	GSR Mortgage Loan Trust, (05-AR3-6A1), 3.033%, due 05/25/35 ⁽¹⁾	561,387
609,006	HSI Asset Loan Obligation Trust, (07-2-2A12), 6%, due 09/25/37	558,996
1,000,000	HSI Asset Securitization Corp. Trust, (06-OPT2-2A4), 0.736%, due 01/25/36 ⁽¹⁾	988,347
918,082	Indymac INDX Mortgage Loan Trust, (04-AR6-5A1), 2.806%, due 10/25/34 ⁽¹⁾	883,138
1,086,409	Indymac INDX Mortgage Loan Trust, (05-AR19-A1), 3.028%, due 10/25/35 ⁽¹⁾	903,196
1,560,013	Indymac INDX Mortgage Loan Trust, (06-AR13-A4X), 3.156%, due 07/25/36(I/O) ⁽¹⁾	19,757
1,179,957	Indymac INDX Mortgage Loan Trust, (06-AR9-1A1), 3.215%, due 06/25/36 ⁽¹⁾⁽⁴⁾	865,692
1,826,363	Indymac INDX Mortgage Loan Trust, (07-AR5-2A1), 3.055%, due 05/25/37 ⁽¹⁾⁽⁴⁾	1,462,568

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

June 30, 2016

Principal Amount	Fixed Income Securities	Value
	Residential Mortgage-Backed Securities Non-Agency (Continued)	
\$ 2,051,990	Indymac INDX Mortgage Loan Trust, (07-FLX2-A1C), 0.636%, due 04/25/37 ⁽¹⁾	\$ 1,393,912
171,632	Indymac Manufactured Housing Contract, (98-2-A4), 6.64%, due 08/25/29 ⁽¹⁾	171,002
1,190,918	JPMorgan Alternative Loan Trust, (06-A2-5A1), 2.931%, due 05/25/36 ⁽¹⁾⁽⁴⁾	816,244
1,200,000	JPMorgan Mortgage Acquisition Trust, (07-CH1-MV1), 0.668%, due 11/25/36 ⁽¹⁾	1,125,468
972,039	JPMorgan Mortgage Trust, (04-A6-5A1), 2.771%, due 12/25/34 ⁽¹⁾	931,986
235,907	JPMorgan Mortgage Trust, (07-S2-1A1), 5%, due 06/25/37	171,880
264,128	Lehman ABS Manufactured Housing Contract Trust, (01-B-A6), 6.467%, due 04/15/40 ⁽¹⁾	276,543
1,513,076	Lehman XS Trust, (06-10N-1A3A), 0.656%, due 07/25/46 ⁽¹⁾⁽⁴⁾	1,184,938
2,188,115	Lehman XS Trust, (06-12N-A31A), 0.646%, due 08/25/46 ⁽¹⁾⁽⁴⁾	1,680,013
1,700,000	Long Beach Mortgage Loan Trust, (04-4-M1), 1.346%, due 10/25/34 ⁽¹⁾	1,558,657
1,399,042	MASTR Alternative Loans Trust, (07-HF1-4A1), 7%, due 10/25/47 ⁽⁴⁾	1,005,135
628,543	MASTR Asset-Backed Securities Trust, (06-NC1-A4), 0.746%, due 01/25/36 ⁽¹⁾	605,023
2,000,000	MASTR Asset-Backed Securities Trust, (07-HE1-A4), 0.726%, due 05/25/37 ⁽¹⁾	1,250,298
931,135	Merrill Lynch First Franklin Mortgage Loan Trust, (07-3-A2B), 0.576%, due 06/25/37 ⁽¹⁾	630,596
1,901,356	Merrill Lynch First Franklin Mortgage Loan Trust, (07-3-A2C), 0.626%, due 06/25/37 ⁽¹⁾	1,274,387
684,271	Merrill Lynch Mortgage-Backed Securities Trust, (07-2-1A1), 2.96%, due 08/25/36 ⁽¹⁾	632,726
516,407	Mid-State Trust, (04-1-B), 8.9%, due 08/15/37	593,074
516,407	Mid-State Trust, (04-1-M1), 6.497%, due 08/15/37	551,942
358,963	Mid-State Trust, (6-A1), 7.34%, due 07/01/35	383,759
321,631	Mid-State Trust, (6-A3), 7.54%, due 07/01/35	341,362
917,428	Morgan Stanley ABS Capital I, Inc. Trust, (03-NC6-M1), 1.646%, due 06/25/33 ⁽¹⁾	890,110
4,605	Morgan Stanley ABS Capital I, Inc. Trust, (05-HE3-M2), 1.226%, due 07/25/35 ⁽¹⁾	4,778
1,500,000	Morgan Stanley ABS Capital I, Inc. Trust, (05-HE3-M3), 1.241%, due 07/25/35 ⁽¹⁾	1,469,618
1,406,405	Morgan Stanley ABS Capital I, Inc. Trust, (06-HE3-A1), 0.586%, due 04/25/36 ⁽¹⁾	1,296,834
1,075,985	Morgan Stanley ABS Capital I, Inc. Trust, (07-15AR-4A1), 4.525%, due 11/25/37 ⁽¹⁾	772,612
1,426,977	Morgan Stanley Home Equity Loan Trust, (06-2-A4), 0.726%, due 02/25/36 ⁽¹⁾	1,336,815
956,835	MortgageIT Trust, (05-5-A1), 0.706%, due 12/25/35 ⁽¹⁾	853,226
3,000,000	Nationstar Home Equity Loan Trust, (07-B-2AV3), 0.696%, due 04/25/37 ⁽¹⁾	2,666,111
173,873	New Century Home Equity Loan Trust, (05-3-M1), 0.926%, due 07/25/35 ⁽¹⁾	174,070
1,438,534	New Century Home Equity Loan Trust, (05-B-A2D), 0.846%, due 10/25/35 ⁽¹⁾	1,353,253
1,700,000	New Century Home Equity Loan Trust, (06-C-A2D), 0.786%, due 12/25/35 ⁽¹⁾	1,455,953
1,901,576	Nomura Asset Acceptance Corp., (06-AR1-1A), 3.958%, due 02/25/36 ⁽¹⁾	1,431,408
2,054,901	Oakwood Mortgage Investors, Inc., (00-A-A4), 8.15%, due 09/15/29 ⁽¹⁾	1,449,682
1,154,116	Oakwood Mortgage Investors, Inc., (01-D-A3), 5.9%, due 09/15/22 ⁽¹⁾	954,390
668,670	Oakwood Mortgage Investors, Inc., (01-D-A4), 6.93%, due 09/15/31 ⁽¹⁾	602,360
455,322	Oakwood Mortgage Investors, Inc., (02-A-A3), 6.03%, due 05/15/24 ⁽¹⁾	479,792
524,271	Oakwood Mortgage Investors, Inc., (98-A-M), 6.825%, due 05/15/28 ⁽¹⁾	541,441
157,295	Oakwood Mortgage Investors, Inc., (98-D-A), 6.4%, due 01/15/29	158,851
472,554	Oakwood Mortgage Investors, Inc., (99-B-A4), 6.99%, due 12/15/26	500,855
1,313,449	Oakwood Mortgage Investors, Inc., (99-E-A1), 7.608%, due 03/15/30 ⁽¹⁾	1,169,881
418,206	Origen Manufactured Housing Contract Trust, (05-A-M1), 5.46%, due 06/15/36 ⁽¹⁾	442,391

1,109,929

Park Place Securities, Inc., (05-WCW1-M1), 0.896%, due 09/25/35 ⁽¹⁾

1,104,333

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

Schedule of Investments (Unaudited) (Continued)

Principal Amount	Fixed Income Securities	Value
	Residential Mortgage-Backed Securities Non-Agency (Continued)	
\$ 720,629	Park Place Securities, Inc., (05-WHQ2-M1), 1.076%, due 05/25/35 ⁽¹⁾	\$ 718,922
611,000	Popular ABS Mortgage Pass-Through Trust, (05-6-A4), 4.255%, due 01/25/36	524,744
1,168,698	RALI Series Trust, (06-QS7-A2), 6%, due 06/25/36 ⁽⁴⁾	984,836
1,140,000	RASC Series Trust, (05-KS11-M1), 0.846%, due 12/25/35 ⁽¹⁾	1,099,779
1,814,275	Residential Accredit Loans, Inc., (05-QA7-A1), 3.364%, due 07/25/35 ⁽¹⁾⁽⁴⁾	1,415,433
1,172,342	Residential Accredit Loans, Inc., (05-QA8-CB21), 3.39%, due 07/25/35 ⁽¹⁾⁽⁴⁾	948,841
1,363,616	Residential Accredit Loans, Inc., (06-QA10-A2), 0.626%, due 12/25/36 ⁽¹⁾	1,027,050
870,604	Residential Accredit Loans, Inc., (06-QS1-A3), 5.75%, due 01/25/36(PAC) ⁽⁴⁾	751,323
20,780,294	Residential Accredit Loans, Inc., (06-QS11-AV), 0.343%, due 08/25/36(I/O) ⁽¹⁾	309,250
9,894,653	Residential Accredit Loans, Inc., (06-QS6-1AV), 0.754%, due 06/25/36(I/O) ⁽¹⁾	305,117
1,980,377	Residential Accredit Loans, Inc., (06-QS8-A3), 6%, due 08/25/36 ⁽⁴⁾	1,655,738
24,043,199	Residential Accredit Loans, Inc., (07-QS2-AV), 0.322%, due 01/25/37(I/O) ⁽¹⁾	330,592
23,720,144	Residential Accredit Loans, Inc., (07-QS3-AV), 0.335%, due 02/25/37(I/O) ⁽¹⁾	362,996
573,879	Residential Accredit Loans, Inc., (07-QS6-A62), 5.5%, due 04/25/37(TAC) ⁽⁴⁾	468,626
1,250,000	Residential Asset Mortgage Products, Inc., (06-RZ3-A3), 0.736%, due 08/25/36 ⁽¹⁾	1,160,943
1,303,805	Residential Asset Securitization Trust, (05-A15-4A1), 6%, due 02/25/36 ⁽⁴⁾	1,009,624
3,801,398	Residential Asset Securitization Trust, (07-A5-AX), 6%, due 05/25/37(I/O)	748,621
59,953,165	Residential Funding Mortgage Securities, (06-S9-AV), 0.312%, due 09/25/36(I/O) ⁽¹⁾	658,448
121,120	Residential Funding Mortgage Securities II, (01-HI3-A17), 7.56%, due 07/25/26	122,747
597,529	Restructured Asset Backed Securities Trust, (04-1A-A2), (144A), 5.7%, due 12/15/30 ⁽²⁾	610,847
2,926,000	Saxon Asset Securities Trust, (07-3-2A4), 0.936%, due 09/25/47 ⁽¹⁾	1,672,678
4,614,000	Securitized Asset-Backed Receivables LLC Trust, (07-NC2-A2C), 0.666%, due 01/25/37 ⁽¹⁾	2,716,380
1,400,000	Soundview Home Loan Trust, (06-1-A4), 0.746%, due 02/25/36 ⁽¹⁾	1,284,396
1,500,000	Soundview Home Loan Trust, (06-EQ1-A4), 0.696%, due 10/25/36 ⁽¹⁾	1,060,250
614,114	Structured Adjustable Rate Mortgage Loan Trust, (05-20-1A1), 2.86%, due 10/25/35 ⁽¹⁾	457,947
771,869	Structured Adjustable Rate Mortgage Loan Trust, (07-9-2A1), 5.981%, due 10/25/47 ⁽¹⁾	615,293
1,175,000	Structured Asset Investment Loan Trust, (05-3-M2), 1.106%, due 04/25/35 ⁽¹⁾	1,159,063
1,000,000	Structured Asset Securities Corp., (05-WF4-M2), 0.876%, due 11/25/35 ⁽¹⁾	979,411
1,600,000	Structured Asset Securities Corp., (06-GEL4-A3), (144A), 0.746%, due 10/25/36 ⁽¹⁾⁽²⁾	1,475,994
33,516	UCFC Manufactured Housing Contract, (97-4-A4), 6.995%, due 04/15/29 ⁽¹⁾	33,389
201,992	Vanderbilt Acquisition Loan Trust, (02-1-A4), 6.57%, due 05/07/27 ⁽¹⁾	206,559
276,640	Vanderbilt Acquisition Loan Trust, (02-1-M1), 7.33%, due 05/07/32 ⁽¹⁾	298,410
2,792,261	WAMU Asset-Backed Certificates, (07-HE1-2A3), 0.596%, due 01/25/37 ⁽¹⁾	1,540,653
7,882,478	Wells Fargo Alternative Loan Trust, (07-PA2-2A2), 5.624%, due 06/25/37(I/O) ⁽¹⁾	1,313,041
730,000	Wells Fargo Home Equity Trust, (06-2-A3), 0.656%, due 01/25/37 ⁽¹⁾	560,075
1,405,664	Wells Fargo Home Equity Trust, (06-2-A4), 0.696%, due 07/25/36 ⁽¹⁾	1,369,566
904,825	Wells Fargo Mortgage-Backed Securities Trust, (06-AR10-5A1), 2.916%, due 07/25/36 ⁽¹⁾⁽⁴⁾	873,571
701,639	Wells Fargo Mortgage-Backed Securities Trust, (07-AR3-A4), 5.88%, due 04/25/37 ⁽¹⁾⁽⁴⁾	657,022

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366,926	Wells Fargo Mortgage-Backed Securities Trust, (08-1-4A1), 5.75%, due 02/25/38	385,035
	Total Residential Mortgage-Backed Securities Non-Agency	141,975,127
	Total Collateralized Mortgage Obligations (Cost: \$136,748,019)	154,641,396

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

June 30, 2016

Principal Amount	Fixed Income Securities	Value
	Corporate Bonds (18.5%)	
	Aerospace/Defense (0.1%)	
\$ 280,000	TransDigm, Inc., (144A), 6.375%, due 06/15/26 ⁽²⁾	\$ 279,650
	Airlines (1.4%)	
365,687	America West Airlines, Inc. Pass-Through Certificates, (01-1), 7.1%, due 10/02/22(EETC)	393,333
1,055,525	Continental Airlines, Inc. Pass-Through Certificates, (00-2-A1), 7.707%, due 10/02/22(EETC)	1,147,554
457,823	Delta Air Lines, Inc. Pass-Through Certificates, (02-1G1), 6.718%, due 07/02/24(EETC)	522,491
1,000,000	JetBlue Airways Corp. Pass-Through Trust, (04-2-G2), 1.076%, due 05/15/18(EETC) ⁽¹⁾	997,125
609,485	US Airways Group, Inc. Pass-Through Certificates, (10-1A), 6.25%, due 10/22/24(EETC)	693,289
	Total Airlines	3,753,792
	Apparel (0.1%)	
275,000	Hanesbrands, Inc., (144A), 4.875%, due 05/15/26 ⁽²⁾	276,203
	Auto Manufacturers (0.2%)	
450,000	Ford Motor Credit Co. LLC, 3.336%, due 03/18/21	467,667
200,000	General Motors Financial Co., Inc., 3.2%, due 07/06/21	199,507
	Total Auto Manufacturers	667,174
	Banks (4.3%)	
1,000,000	Bank of America Corp., 3.875%, due 08/01/25	1,062,845
300,000	Barclays PLC (United Kingdom), 4.375%, due 01/12/26	303,220
500,000	Capital One NA, 2.4%, due 09/05/19	508,041
2,000,000	Citigroup, Inc., 1.212%, due 08/25/36 ⁽¹⁾	1,343,314
500,000	Discover Bank / Greenwood DE, 2%, due 02/21/18	502,117
2,400,000	JPMorgan Chase Capital XXI, 1.587%, due 01/15/87 ⁽¹⁾	1,824,000
1,000,000	JPMorgan Chase Capital XXIII, 1.626%, due 05/15/77 ⁽¹⁾	752,500
650,000	Lloyds Bank PLC (United Kingdom), (144A), 5.8%, due 01/13/20 ⁽²⁾	727,489
2,110,000	Lloyds Banking Group PLC (United Kingdom), 4.65%, due 03/24/26	2,131,792
908,000	Macquarie Bank, Ltd. (Australia), (144A), 6.625%, due 04/07/21 ⁽²⁾	1,050,756
400,000	Morgan Stanley, 3.875%, due 04/29/24	428,891
520,000	Royal Bank of Scotland Group PLC (United Kingdom), 6.125%, due 12/15/22	543,404
300,000	UBS Group Funding Jersey, Ltd., (144A), 4.125%, due 09/24/25 ⁽²⁾	311,610
450,000	Wells Fargo & Co., 3%, due 04/22/26	458,167
	Total Banks	11,948,146
	Beverages (0.5%)	
211,000	Anheuser-Busch InBev Finance, Inc., 3.65%, due 02/01/26	225,839
389,000	Anheuser-Busch InBev Finance, Inc., 4.9%, due 02/01/46	457,380
263,000	Constellation Brands, Inc., 6%, due 05/01/22	295,218
275,000	DS Services of America, Inc., (144A), 10%, due 09/01/21 ⁽²⁾	310,062

Total Beverages

1,288,499

See accompanying notes to financial statements.

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TCW Strategic Income Fund, Inc.

Schedule of Investments (Unaudited) (Continued)

Principal Amount		Value
Fixed Income Securities		
Biotechnology (0.4%)		
\$ 500,000	Biogen, Inc., 5.2%, due 09/15/45	\$ 564,137
500,000	Celgene Corp., 4.625%, due 05/15/44	522,098
	Total Biotechnology	1,086,235
Computers (0.4%)		
670,000	Apple, Inc., 4.65%, due 02/23/46	759,613
280,000	Diamond 1 Finance Corp. / Diamond 2 Finance Corp., (144A), 6.02%, due 06/15/26 ⁽²⁾	292,432
	Total Computers	1,052,045
Diversified Financial Services (0.4%)		
250,000	International Lease Finance Corp., (144A), 7.125%, due 09/01/18 ⁽²⁾	274,687
740,325	Pipeline Funding Co. LLC, (144A), 7.5%, due 01/15/30 ⁽²⁾	817,404
	Total Diversified Financial Services	1,092,091
Electric (1.3%)		
700,000	Cleco Corporate Holdings LLC, (144A), 3.743%, due 05/01/26 ⁽²⁾	721,072
550,000	Dominion Resources, Inc., 4.104%, due 04/01/21	569,447
124,000	Dynegy, Inc., 5.875%, due 06/01/23	109,740
750,000	FirstEnergy Transmission LLC, (144A), 4.35%, due 01/15/25 ⁽²⁾	799,655
910,965	Mirant Mid-Atlantic, LLC Pass-Through Certificates, Series C, 10.06%, due 12/30/28(EETC)	876,804
500,000	Puget Energy, Inc., 6%, due 09/01/21	582,572
	Total Electric	3,659,290
Engineering & Construction (0.3%)		
700,000	Heathrow Funding, Ltd. (United Kingdom), (144A), 4.875%, due 07/15/23 ⁽²⁾	772,005
Entertainment (0.1%)		
275,000	Churchill Downs, Inc., (144A), 5.375%, due 12/15/21 ⁽²⁾	286,687
Environmental Control (0.0%)		
135,000	Clean Harbors, Inc., 5.125%, due 06/01/21	138,456
Food Service (0.0%)		
130,000	Aramark Services, Inc., (144A), 5.125%, due 01/15/24 ⁽²⁾	132,925
Healthcare-Services (0.8%)		
275,000	Centene Escrow Corp., (144A), 5.625%, due 02/15/21 ⁽²⁾	287,375
300,000	DaVita HealthCare Partners, Inc., 5%, due 05/01/25	299,265
260,000	Fresenius Medical Care US Finance, Inc., (144A), 5.75%, due 02/15/21 ⁽²⁾	289,900

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550,000	HCA, Inc., 5.875%, due 03/15/22	599,500
650,000	Tenet Healthcare Corp., 4.153%, due 06/15/20 ⁽¹⁾	645,125
	Total Healthcare-Services	2,121,165

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

June 30, 2016

Principal Amount	Fixed Income Securities	Value
	Insurance (0.4%)	
\$ 500,000	Farmers Exchange Capital, (144A), 7.05%, due 07/15/28 ⁽²⁾	\$ 607,974
600,000	MetLife, Inc., 6.4%, due 12/15/66	640,500
	Total Insurance	1,248,474
	Lodging (0.1%)	
202,000	Hilton Worldwide Finance LLC / Hilton Worldwide Finance Corp., 5.625%, due 10/15/21	209,214
	Media (1.0%)	
200,000	Altice Financing S.A. (Luxembourg), (144A), 7.5%, due 05/15/26 ⁽²⁾	196,500
300,000	Altice US Finance I Corp. (Luxembourg), (144A), 5.375%, due 07/15/23 ⁽²⁾	298,875
150,000	CBS Corp., 4%, due 01/15/26	160,463
200,000	CCO Holdings LLC / CCO Holdings Capital Corp., (144A), 5.75%, due 02/15/26 ⁽²⁾	206,500
800,000	Charter Communications Operating LLC / Charter Communications Operating Capital, (144A), 4.464%, due 07/23/22 ⁽²⁾	860,520
150,000	Charter Communications Operating LLC / Charter Communications Operating Capital, (144A), 6.484%, due 10/23/45 ⁽²⁾	179,798
150,000	DISH DBS Corp., 5.125%, due 05/01/20	153,375
275,000	Neptune Finco Corp., (144A), 6.625%, due 10/15/25 ⁽²⁾	290,812
432,000	Virgin Media Secured Finance PLC (United Kingdom), (144A), 5.375%, due 04/15/21 ⁽²⁾	441,180
	Total Media	2,788,023
	Miscellaneous Manufacturers (0.6%)	
2,000,000	General Electric Capital Corp., 1.106%, due 08/15/36 ⁽¹⁾	1,681,296
	Packaging & Containers (0.1%)	
280,000	Ardagh Packaging Finance PLC / Ardagh Holdings USA, Inc. (Ireland), (144A), 3.653%, due 12/15/19 ⁽¹⁾⁽²⁾	281,750
	Pharmaceuticals (1.2%)	
417,000	AbbVie, Inc., 3.2%, due 05/14/26	421,751
1,000,000	Actavis Funding SCS (Luxembourg), 3.8%, due 03/15/25	1,043,708
500,000	AstraZeneca PLC (United Kingdom), 3.375%, due 11/16/25	523,659
300,000	Baxalta, Inc., 2.875%, due 06/23/20	305,163
200,000	Grifols Worldwide Operations, Ltd. (Ireland), 5.25%, due 04/01/22	203,500
280,000	Quintiles Transnational Corp., (144A), 4.875%, due 05/15/23 ⁽²⁾	286,125
135,000	Valeant Pharmaceuticals International, Inc. (Canada), (144A), 5.625%, due 12/01/21 ⁽²⁾	112,050
350,000	Valeant Pharmaceuticals International, Inc. (Canada), (144A), 5.875%, due 05/15/23 ⁽²⁾	284,375
150,000	Valeant Pharmaceuticals International, Inc. (Canada), (144A), 6.125%, due 04/15/25 ⁽²⁾	121,125
	Total Pharmaceuticals	3,301,456

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

Schedule of Investments (Unaudited) (Continued)

Principal Amount		Value
Fixed Income Securities		
Pipelines (1.1%)		
\$ 700,000	Boardwalk Pipelines LP, 5.875%, due 11/15/16	\$ 709,755
50,000	Enbridge Energy Partners LP, 5.875%, due 10/15/25	55,176
250,000	Energy Transfer Partners LP, 3.654%, due 11/01/66 ⁽¹⁾	146,550
490,000	Energy Transfer Partners LP, 6.125%, due 02/15/17	502,573
200,000	Regency Energy Partners LP / Regency Energy Finance Corp., 5.875%, due 03/01/22	214,502
1,500,000	Sabine Pass LNG, LP, (144A), 7.5%, due 11/30/16 ⁽²⁾	1,528,125
	Total Pipelines	3,156,681
Real Estate (0.5%)		
1,375,000	Post Apartment Homes, LP, 4.75%, due 10/15/17	1,419,891
REIT (1.2%)		
135,000	DuPont Fabros Technology LP, 5.875%, due 09/15/21	141,750
750,000	Education Realty Operating Partnership LP, 4.6%, due 12/01/24	770,136
630,000	HCP, Inc., 4.25%, due 11/15/23	655,138
700,000	Healthcare Realty Trust, Inc., 5.75%, due 01/15/21	786,848
950,000	SL Green Realty Corp., 5%, due 08/15/18	996,687
	Total REIT	3,350,559
Retail (0.4%)		
755,000	Walgreens Boots Alliance, Inc., 3.45%, due 06/01/26	776,625
225,000	Walgreens Boots Alliance, Inc., 4.8%, due 11/18/44	241,640
	Total Retail	1,018,265
Semiconductors (0.1%)		
200,000	NXP BV / NXP Funding LLC (Netherlands), (144A), 4.125%, due 06/01/21 ⁽²⁾	203,500
Software (0.4%)		
400,000	First Data Corp., (144A), 5%, due 01/15/24 ⁽²⁾	402,500
125,000	MSCI, Inc., (144A), 5.75%, due 08/15/25 ⁽²⁾	130,312
560,000	Oracle Corp., 2.4%, due 09/15/23	561,668
	Total Software	1,094,480
Telecommunications (1.1%)		
400,000	AT&T, Inc., 4.3%, due 12/15/42	387,460
675,000	AT&T, Inc., 4.75%, due 05/15/46	694,551
250,000	Level 3 Financing, Inc., 5.625%, due 02/01/23	253,282
75,000	Sprint Communications, Inc., (144A), 9%, due 11/15/18 ⁽²⁾	79,922
135,000	T-Mobile USA, Inc., 6.5%, due 01/15/24	142,594

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250,000	T-Mobile USA, Inc., 6.625%, due 11/15/20	259,062
125,000	T-Mobile USA, Inc., 6.731%, due 04/28/22	131,762
400,000	Verizon Communications, Inc., 4.522%, due 09/15/48	418,316
500,000	Verizon Communications, Inc., 5.85%, due 09/15/35	606,908
Total Telecommunications		2,973,857
Total Corporate Bonds (Cost: \$49,288,592)		51,281,809

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

June 30, 2016

Principal Amount	Fixed Income Securities	Value
	Municipal Bonds (1.2%)	
\$ 1,000,000	California State, Build America Bonds, 7.95%, due 03/01/36	\$ 1,215,690
1,000,000	City of New York, New York, Build America Bonds, 6.646%, due 12/01/31	1,204,220
800,000	New York City Water and Sewer System, Build America Bonds, 6.491%, due 06/15/42	920,256
	Total Municipal Bonds (Cost: \$3,245,258)	3,340,166
	U.S. Treasury Securities (4.3%)	
105,000	U.S. Treasury Bond, 2.5%, due 05/15/46	109,421
1,000,000	U.S. Treasury Note, 0.438%, due 10/31/17 ⁽¹⁾	1,000,866
2,000,000	U.S. Treasury Note, 0.5%, due 01/31/17	2,000,996
8,400,000	U.S. Treasury Note, 0.625%, due 08/31/17	8,409,675
555,000	U.S. Treasury Note, 1.625%, due 05/15/26	561,808
	Total U.S. Treasury Securities (Cost: \$12,038,171)	12,082,766
	Total Fixed Income Securities (Cost: \$ 247,130,787) (93.8%)	260,642,329
Number of Shares	Common Stock	
	Electric (0.0%)	
11,293	Mach Gen, LLC ⁽³⁾⁽⁵⁾	31,056
	REIT (1.0%)	
134,886	American Capital Agency Corp.	2,673,440
	Total Common Stock (Cost: \$ 2,910,069) (1.0%)	2,704,496
	Money Market Investments	
2,296,395	State Street Institutional U.S. Government Money Market Fund Premier Class, 0.25% ⁽⁶⁾	2,296,395
	Total Money Market Investments (Cost: \$ 2,296,395) (0.8%)	2,296,395
Principal Amount	Short Term Investment	
	Discount Notes (2.6%)	
\$ 4,530,000	Federal Home Loan Bank, 0.457%, due 10/03/16 ⁽⁷⁾	4,525,860
2,660,000	Federal National Mortgage Association, 0.447%, due 10/17/16 ⁽⁷⁾	2,657,207
	Total Discount Notes (Cost: \$7,181,166)	7,183,067
	Foreign Government Bonds (2.2%)	
JPY 200,000,000	Japan Treasury Bill, 0%, due 09/05/16 ⁽⁸⁾	1,950,348
JPY 430,000,000	Japan Treasury Bill, 0%, due 09/20/16 ⁽⁸⁾	4,193,705

Total Foreign Government Bonds (Cost: \$5,948,392)

6,144,053

See accompanying notes to financial statements.

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TCW Strategic Income Fund, Inc.

Schedule of Investments (Unaudited) (Continued)

Principal Amount	Short Term Investment	Value
	U.S. Treasury Security (Cost: \$524,905) (0.2%)	
\$ 525,000	U.S. Treasury Bill, 0.17%, due 07/21/16 ⁽⁷⁾⁽⁹⁾	\$ 524,948
	Total Short-Term Investments (Cost: \$13,654,463) (5.0%)	13,852,068
	TOTAL INVESTMENTS (Cost: \$265,991,714) (100.6%)	279,495,288
	LIABILITIES IN EXCESS OF OTHER ASSETS (-0.6%)	(1,610,999)
	NET ASSETS (100.0%)	\$ 277,884,289

Futures Contracts Exchange Traded

Number of Contracts	Type	Expiration Date	Notional Contract Value	Net Unrealized (Depreciation)
BUY				
32	S&P 500 E-Mini Index Futures	09/16/16	\$ 3,344,320	\$ (17,819)
			\$ 3,344,320	\$ (17,819)
SELL				
56	10-Year U.S. Treasury Note Futures	09/21/16	\$ 7,447,125	\$ (200,931)
6	U.S. Ultra Long Bond Futures	09/21/16	1,118,250	(74,685)
			\$ 8,565,375	\$ (275,616)

Forward Currency Contracts OTC

Counterparty	Contracts to Deliver	Units of Currency	Settlement Date	In Exchange for U.S. Dollars	Contracts at Value	Unrealized (Depreciation)
Citibank N.A.	JPY	280,000,000	07/21/16	\$ 2,688,799	\$ 2,730,648	\$ (41,849)
Bank of America	JPY	200,000,000	09/06/16	1,844,823	1,953,288	(108,465)
Bank of America	JPY	150,000,000	09/20/16	1,421,828	1,465,919	(44,091)
				\$ 5,955,450	\$ 6,149,855	\$ (194,405)

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

June 30, 2016

Notes to Schedule of Investments:

- (1) *Floating or variable rate security. The interest shown reflects the rate in effect at June 30, 2016.*
- (2) *Security exempt from registration under Rule 144A of the Securities Act of 1933, as amended. These securities may be resold, normally only to qualified institutional buyers. At June 30, 2016, the value of these securities amounted to \$50,436,806 or 18.2% 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.*
- (3) *Restricted security (Note 8).*
- (4) *A portion of the principal balance has been written-off during the period due to defaults in the underlying loans.*
- (5) *Non-income producing security.*
- (6) *Rate disclosed is the 7-day net yield as of June 30, 2016.*
- (7) *Rate shown represents yield-to-maturity.*
- (8) *Security is not accruing interest.*
- (9) *All or a portion of this security is held as collateral for open futures contracts.*

JPY - Japanese Yen.

ABS - Asset-Backed Securities.

ACES - Alternative Credit Enhancement Securities.

CLO - Collateralized Loan Obligation.

EETC - Enhanced Equipment Trust Certificate.

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

I/O - Interest Only Security.

OTC - Over the Counter.

PAC - Planned Amortization Class.

TAC - Target Amortization Class.

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

Investments by Industry (Unaudited)

June 30, 2016

Industry	Percentage of Net Assets
Residential Mortgage-Backed Securities Non-Agency	51.1%
Asset-Backed Securities	14.1
Banks	4.3
U.S. Treasury Securities	4.3
REIT	2.2
Residential Mortgage-Backed Securities Agency	1.9
Airlines	1.4
Commercial Mortgage-Backed Securities Non-Agency	1.4
Commercial Mortgage-Backed Securities Agency	1.3
Electric	1.3
Municipal Bonds	1.2
Pharmaceuticals	1.2
Pipelines	1.1
Telecommunications	1.1
Media	1.0
Healthcare-Services	0.8
Miscellaneous Manufacturers	0.6
Beverages	0.5
Real Estate	0.5
Biotechnology	0.4
Computers	0.4
Diversified Financial Services	0.4
Insurance	0.4
Retail	0.4
Software	0.4
Engineering & Construction	0.3
Auto Manufacturers	0.2
Aerospace/Defense	0.1
Apparel	0.1
Entertainment	0.1
Lodging	0.1
Packaging & Containers	0.1
Semiconductors	0.1
Environmental Control	0.0*
Food Service	0.0*
Money Market Investments	0.8
Short-Term Investments	5.0
Total	100.6%

* Value rounds to less than 0.1% of net assets

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

Statement of Assets and Liabilities (Unaudited)

June 30, 2016

ASSETS:	
Investments, at Value (Cost: \$265,991,714)	\$ 279,495,288
Cash	186,742
Interest and Dividends Receivable	1,330,046
Receivable for Securities Sold	592,719
Other assets	58,836
Receivable for Variation Margin on Open Financial Futures Contracts	47,252
 Total Assets	 281,710,883
LIABILITIES:	
Distributions Payable	2,479,722
Payables for Securities Purchased	894,754
Unrealized Depreciation on Forward Foreign Currency Contracts	194,405
Accrued Investment Advisory Fees	135,080
Accrued Other Expenses	99,576
Accrued Directors Fees and Expenses	13,228
Commitment Fee Payable on Open Line of Credit	9,829
 Total Liabilities	 3,826,594
 NET ASSETS	 \$ 277,884,289
NET ASSETS CONSIST OF:	
Common Stock, par value \$0.01 per share (75,000,000 shares authorized, 47,686,957 shares issued and outstanding)	\$ 476,870
Paid-in Capital	268,963,513
Accumulated Net Realized Loss on Investments, Futures Contracts and Foreign Currency	(3,989,172)
Distributions in Excess of Net Investment Income	(582,656)
Net Unrealized Appreciation on Investments, Futures Contracts and Foreign Currency	13,015,734
 NET ASSETS	 \$ 277,884,289
 NET ASSET VALUE PER SHARE	 \$ 5.83
 MARKET PRICE PER SHARE	 \$ 5.44

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

Statement of Operations (Unaudited)

Six Months Ended June 30, 2016

INVESTMENT INCOME:	
Income	
Interest	\$ 6,992,076
Dividends	161,863
Total Investment Income	7,153,939
Expenses	
Investment Advisory Fees	815,181
Proxy Expense	91,880
Audit and Tax Service Fees	66,806
Directors' Fees and Expenses	46,495
Insurance Expense	28,239
Listing Fees	24,148
Legal Fees	23,472
Transfer Agent Fees	23,242
Printing and Distribution Costs	21,090
Commitment Fee on Open Line of Credit	17,694
Custodian Fees	13,953
Accounting Fees	13,056
Administration Fees	7,816
Miscellaneous Expense	5,853
Total Expenses	1,198,925
Net Investment Income	5,955,014
NET REALIZED GAIN AND CHANGE IN UNREALIZED DEPRECIATION ON INVESTMENTS, FUTURES CONTRACTS AND FOREIGN CURRENCY:	
Net Realized Gain on:	
Investments	504,771
Foreign Currency	3,074
Futures Contracts	71,618
Change in Unrealized Depreciation on:	
Investments	(1,341,549)
Foreign Currency	(194,405)
Futures Contracts	(244,221)
Net Realized Gain and Change in Unrealized Depreciation on Investments, Futures Contracts and Foreign Currency	(1,200,712)
INCREASE IN NET ASSETS FROM OPERATIONS	\$ 4,754,302

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

Statements of Changes in Net Assets

	Six Months Ended June 30, 2016 (Unaudited)	Year Ended December 31, 2015
OPERATIONS:		
Net Investment Income	\$ 5,955,014	\$ 10,488,828
Net Realized Gain on Investments, Futures Contracts, Written Options and Foreign Currency	579,463	2,172,921
Change in Unrealized Depreciation on Investments, Futures Contracts, Written Options and Foreign Currency	(1,780,175)	(8,321,847)
Increase in Net Assets Resulting from Operations	4,754,302	4,339,902
DISTRIBUTIONS TO SHAREHOLDERS:		
From Net Investment Income	(4,802,077)	(10,243,159)
Total Decrease in Net Assets	(47,775)	(5,903,257)
NET ASSETS:		
Beginning of Period	277,932,064	283,835,321
End of Period	\$ 277,884,289	\$ 277,932,064
Distributions in Excess of Net Investment Income	\$ (582,656)	\$ (1,735,593)

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

Notes to Financial Statements (Unaudited)

Note 1 Organization

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 (the 1940 Act), 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 wide range of securities such as convertible securities, marketable equity securities, investment-grade debt securities, high-yield debt securities, securities issued or guaranteed by the U.S. Government, its agencies and instrumentalities (U.S. Government Securities), repurchase agreements, mortgage related securities, asset-backed securities, money market securities, other securities and derivative instruments 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, as amended.

Note 2 Significant Accounting Policies

The following is a summary of significant accounting policies, which are in conformity with accounting principles generally accepted in the United States of America (GAAP) and which are consistently followed by the Fund in the preparation of its financial statements. The Fund is considered an investment company under the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) No. 946, Financial Services - Investment Companies.

Principles of Accounting: The Fund uses the accrual method of accounting for financial reporting purposes.

Security Valuation: Securities traded on national exchanges are valued at the last reported sales price. Securities traded on the NASDAQ Stock Market (NASDAQ) are valued using the NASDAQ Official Closing Price, which may not be the last reported sales price. Other securities, including short-term investments and forward currency contracts which are traded on the over-the-counter (OTC) market, are valued at the mean of the current bid and asked prices as furnished by independent pricing services or by dealer quotations. S&P 500 Index futures contracts are valued at the first sale price after 4 p.m. ET on the Chicago Mercantile Exchange. The U.S. treasury note futures contracts are valued at the official settlement price of the exchange where they are traded.

Securities for which market quotations are not readily available, including circumstances under which it is determined by the Advisor that prices received are not reflective of a security's market value, are valued by the Advisor in good faith under procedures established by and under the general supervision of the Fund's Board of Directors (the Board and each member thereof, a Director and collectively, the Directors).

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 GAAP, the Fund discloses investments in a three-tier hierarchy. This hierarchy is utilized to establish classification of fair value measurements based on inputs. Inputs that go into fair value measurement 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

TCW Strategic Income Fund, Inc.

June 30, 2016

Note 2 Significant Accounting Policies (Continued)

reporting entity's own assumptions about the inputs 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)

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.

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 is as follows:

Asset-backed securities (ABS) and mortgage-backed securities (MBS). The fair value of ABS and MBS 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 in Level 3.

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 Level 2 of the fair value hierarchy.

TCW Strategic Income Fund, Inc.

Notes to Financial Statements (Unaudited) (Continued)

Note 2 Significant Accounting Policies (Continued)

Equity securities. Equity securities are generally valued based on quoted prices from the applicable exchange. To the extent these securities are actively traded and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy. Restricted securities issued by publicly held companies are generally categorized in Level 2 of the fair value hierarchy; if the discount is applied and significant, they are categorized in 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.

Foreign currency contracts. The fair value of foreign currency contracts are derived from indices, reference rates, and other inputs or a combination of these factors. To the extent that these factors can be observed, foreign currency contracts 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 exchange on which they are traded. As such, they are categorized in Level 1.

Government and agency securities. 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, government and agency securities are normally categorized in Level 1 or 2 of the fair value hierarchy depending on the liquidity and transparency of the market.

Money market funds. Money market funds are open-end mutual funds that invest in short-term debt securities. To the extent that these funds are valued based upon the reported net asset value, they are categorized in Level 1 of the fair value hierarchy.

Municipal bonds. Municipal bonds are fair valued based on pricing models that take into account, among other factors, information received from market makers and broker-dealers, current trades, bid wants lists, offerings, market movements, the callability of the bond, state of issuance, benchmark yield curves, and bond insurance. To the extent that these inputs are observable and timely, the fair values of municipal bonds would be categorized in Level 2; otherwise, the fair values would be categorized in Level 3.

Restricted securities. Restricted securities, including illiquid Rule 144A securities, issued by 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 valued similar to publicly traded securities may be categorized in Level 2 or 3 of the fair value hierarchy depending on whether a discount is applied and significant to the fair value.

Short-term investments. Short-term investments are valued using market price quotations, and are reflected in Level 2 of the fair value hierarchy.

The following is a summary of the inputs used as of June 30, 2016 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				

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Asset-Backed Securities		\$	\$ 38,116,955	\$ 1,179,237	\$ 39,296,192
Collateralized Mortgage Obligations					
Commercial Mortgage-Backed Securities	Agency		3,433,675		3,433,675
Commercial Mortgage-Backed Securities	Non-Agency		3,315,128	597,597	3,912,725

24

TCW Strategic Income Fund, Inc.

June 30, 2016

Note 2 Significant Accounting Policies (Continued)

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imately \$16,873,000. As of September 30, 2012, the Company has made capital contributions totaling \$607,141.

affiliate incentive advisory fees" on the Consolidated Balance Sheets. Payments from the plan will approximate the amounts the Advisor

continue” or the negative of such terms and other comparable terminology are intended to identify forward-looking statements. There

ing Member at such times as required by the Loan. Any payments pursuant to the authorizing resolution shall be payable only from sur

d capitalization begins and when a development project is substantially complete and capitalization ceases. Generally, most capitalizati

Anticipated Completion Date

Q1 2013

Q2 2013

Q2 2015

Apt Size

that to achieve a more complete understanding of the Company's performance, NOI should be compared with our reported net income (I

ic conditions and the continued strength in the apartment markets has allowed the Company to implement rent increases at properties i

omic conditions and the continued strength in the apartment markets has allowed the Company to implement rent increases at properties

on page 18 for further discussion.) The decrease in total non-operating expenses was also attributable to lower interest expenses incurred

to sales of previously depreciated operating real estate assets and excluding real estate asset depreciation and amortization (which can

and is prepared to take advantage of opportunities that present themselves during such times.

	Thereafter
	\$
	92,020,640
%	5.71

v timely decisions regarding required disclosure.

