

TCW STRATEGIC INCOME FUND INC
Form N-CSR
March 01, 2019

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.

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Vice President and 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: December 31, 2018

Item 1. Report to Shareholders.

DECEMBER 31

ANNUAL REPORT

TCW Strategic Income Fund, Inc.

Beginning on January 1, 2021, as permitted by regulations adopted by the Securities and Exchange Commission, paper copies of the Funds annual and semi-annual shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports. Instead, the reports will be made available on the Funds website (www.tcw.com), and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Funds or your financial intermediary electronically by contacting your financial intermediary (such as a broker-dealer or bank) if you invest through a financial intermediary, or by calling 1-800-FUND-TCW (1-800-386-3829) if you invest directly with the Funds.

Beginning on January 1, 2019, you may elect to receive all future reports in paper free of charge. You can call 1-800-FUND-TCW (1-800-386-3829), if you invest directly with the Funds, or contact your financial intermediary, if you invest through a financial intermediary, to inform the Funds or the financial intermediary that you wish to continue receiving paper copies of your shareholder reports. Your election to receive reports in paper will apply to all Funds held directly with TCW or through your financial intermediary.

To Our Valued Shareholders

David S. DeVito

President, Chief Executive Officer and Director

Dear Valued Shareholder:

TCW is pleased to present the 2018 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 ticker TSI. For 2018, shares of TSI experienced a negative 3.88% return while the Fund's net asset value (i.e., returns of the underlying assets) actually increased by 1.86%. For reference, TSI's customized benchmark fell by 1.00%. Although the underlying assets outperformed its benchmark, the Fund's year-to-date price based return was lower than the NAV based return due to an increase in the discount between NAV and share price from 0.68% at the beginning of the year to 6.73% at December 31, 2018. Annualized price based performance over most longer periods generally remained ahead of the Fund's benchmark.

In 2018, the Fund paid quarterly dividends of 6.65 cents per share in the first quarter, 6.98 cents per share in the second quarter, 7.74 cents per share in the third quarter, and 12.90 cents per share in the fourth quarter, as well as a short and a long term capital gains distribution of 0.70 cents per share and 2.30 cents per share, respectively. This represents an annualized rate of approximately 34 cents per share, contributing to a realized 12-month trailing yield of 7.07%, as of 12/31/2018. Of course, since yield is a function of a number of parameters, the go-forward yield of TSI will likely differ from the trailing figure.

Fund Performance

	Annualized Total Return as of December 31, 2018						
	YTD	1 Year	3 Year	5 Year	10 Year	Since 3/1/06 ⁽²⁾	Since 3/5/87 ⁽³⁾
Price Based Return	-3.88%	-3.88%	+6.02%	+5.10%	+14.90%	+9.92%	+8.06%
NAV Based Return	+1.86%	+1.86%	+4.50%	+4.34%	+13.16%	+8.89%	+8.42%
Custom Benchmark ⁽¹⁾	-1.00%	-1.00%	+5.38%	+4.26%	+8.08%	+5.79%	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.

Management Commentary

TCW manages the portfolio of securities according to a full cycle discipline. Effectively, this means that our management style opportunistically increases the level of risk taking with respect to the assets in the early years of an asset price/credit cycle. In the latter stages of the cycle, our proclivity is to reduce risk, which naturally also has the tendency to pull down the overall yield of the portfolio. TCW does judge the credit cycle

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to be in its closing stage, as evidenced by high leverage, deteriorating underwriting standards, undisciplined investing, and until late 2018, insufficient yield premiums for underwriting risk. Given this view, portfolio positioning entered 2018 defensively to 1) protect the capital position and (2) provide liquidity for opportunistic deployment. As such, we were prepared to take advantage of the sudden spread widening in December that was a consequence of tight liquidity conditions and fears of slowing growth. Positions were added in ABS such as AAA-rated collateralized loan obligations (CLOs), and in both investment grade and high yield credit where we found value in excess of price levels, with selective buys in several sectors including manufacturing, financials, communications, and energy. Positions were trimmed in some of the structured product holdings that have held up well, including agency CMBS.

Even with the fourth quarter's spread widening and recalibration of investor sentiment, we do not believe that valuations have fully priced in long-term fundamental risks yet. As such, we remain steadfast in the opinion that the time to prepare for adverse outcomes is always before the bear market, and are positioned accordingly in anticipation of further volatility. Overall sector positioning remains defensive, with corporate credit emphasizing regulated financials and defensive sectors like pharmaceuticals, communications and non-profit hospitals, and we will continue to look for opportunities to

add exposure as spreads widen toward median levels. Outside of corporates, securitized products exposure remains high quality, with a focus on attractive legacy non-agency MBS issues. Agency MBS exhibit strong liquidity characteristics and are high quality, but uncertainty remains as the Fed shrinks its position; and therefore exposure is minimal. Within CMBS, the emphasis remains on agency-backed issues, while the non-agency CMBS allocation continues to emphasize seasoned issues at the top of the capital structure and single-asset/single-borrower deals to avoid the underwriting challenges faced by current vintage non-agency CMBS. ABS bonds held in the Fund favor federally guaranteed student loans, with an additional focus on AAA-rated CLOs that offer value.

Portfolio Positioning

SECTOR ALLOCATION

Asset-backed Securities (ABS)

Mortgage-backed Securities (MBS)

Corporate Bonds (CB)

Municipal Bonds (MUNI)

U.S. Treasury Securities (UST)

Foreign Government Bonds (FGB)

Money Market Investments (MM)

Short Term Investments (ST)

MBS ALLOCATION

Commercial Mortgage-Backed Securities (CMBS)

Residential Mortgage-Backed Securities (RMBS)

Modest leverage can be utilized by the TSI Fund through a Line of Credit facility, though the Fund does not currently use any of the available \$70 million commitment. Leverage may return to the Fund when market opportunity is more abundant and management deems the use of

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leverage is accretive to returns.

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

Sincerely,

David S. DeVito

President, Chief Executive Officer and Director

The views expressed in this report reflect those of the Fund's Advisor as of the date this is written and may not reflect its views on the date this report is first published or anytime thereafter. These views are intended to assist shareholders in understanding the Fund's investment methodology and do not constitute investment advice. This report may contain discussions about investments that may or may not be held by the Fund as of the date of this report. All current and future holdings are subject to risk and to change. To the extent this report contains forward looking statements, unforeseen circumstances may cause actual results to differ materially from the views expressed as of the date this is written.

TCW Strategic Income Fund, Inc.

Schedule of Investments

December 31, 2018

Issues	Maturity Date	Principal Amount	Value
FIXED INCOME SECURITIES 101.4% of Net Assets			
ASSET-BACKED SECURITIES 12.6%			
321 Henderson Receivables LLC (17-1A-A)			
3.99% ⁽¹⁾	08/16/60	\$ 244,463	\$ 248,584
A Voce CLO, Ltd. (14-1A-A1R)			
3.60% (3 mo. USD LIBOR + 1.160%) ⁽¹⁾⁽²⁾	07/15/26	1,349,843	1,346,609
AMMC CLO (16-19A-A)			
3.94% (3 mo. USD LIBOR + 1.500%) ⁽¹⁾⁽²⁾	10/15/28	1,370,000	1,372,378
AMUR Finance I LLC (13-1)			
10.00% ⁽³⁾	01/25/22	777,891	225,611
AMUR Finance I LLC (13-2)			
10.00% ⁽³⁾	03/20/24	529,571	174,774
Babson CLO, Ltd. (13-1A-AR)			
3.27% (3 mo. USD LIBOR + 0.800%) ⁽¹⁾⁽²⁾	01/20/28	640,000	630,780
Babson CLO, Ltd. (16-2A-AR)			
3.56% ⁽¹⁾⁽⁴⁾	07/20/28	650,000	650,013
Barings CLO, Ltd. (18-3A-A1)			
3.42% ⁽¹⁾⁽⁴⁾	07/20/29	675,000	664,795
Bayview Commercial Asset Trust (03-2-A)			
3.38% (1 mo. USD LIBOR + 0.870%) ⁽¹⁾⁽²⁾	12/25/33	480,430	472,942
Bayview Commercial Asset Trust (04-1-A)			
2.86% (1 mo. USD LIBOR + 0.540%) ⁽¹⁾⁽²⁾	04/25/34	390,932	387,447
Bayview Commercial Asset Trust (04-2-A)			
2.94% (1 mo. USD LIBOR + 0.645%) ⁽¹⁾⁽²⁾	08/25/34	384,627	378,869
Bayview Commercial Asset Trust (04-3-A1)			
3.06% (1 mo. USD LIBOR + 0.370%) ⁽¹⁾⁽²⁾	01/25/35	208,598	206,357
Brazos Higher Education Authority, Inc. (10-1-A2)			
3.88% (3 mo. USD LIBOR + 1.200%) ⁽²⁾	02/25/35	2,200,000	2,252,263
CIFC Funding, Ltd. (14-4RA-A1A)			
3.59% ⁽¹⁾⁽⁴⁾	10/17/30	1,405,000	1,389,570
CIT Education Loan Trust (07-1-A)			
2.91% (3 mo. USD LIBOR + 0.090%) ⁽¹⁾⁽²⁾	03/25/42	745,182	719,701
Education Loan Asset-Backed Trust I (13-1-A2)			
3.31% (1 mo. USD LIBOR + 0.800%) ⁽¹⁾⁽²⁾	04/26/32	1,260,000	1,266,637
EFS Volunteer No 2 LLC (12-1-A2)			
3.86% (1 mo. USD LIBOR + 1.350%) ⁽¹⁾⁽²⁾	03/25/36	1,500,000	1,528,302
GCO Education Loan Funding Master Trust II (06-2AR-A1RN)			
2.97% (1 mo. USD LIBOR + 0.650%) ⁽¹⁾⁽²⁾	08/27/46	2,132,794	2,035,079
	Maturity Date	Principal Amount	Value
Issues			
ASSET-BACKED SECURITIES (Continued)			

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Global SC Finance SRL (14-1A-A2)				
3.09% ⁽¹⁾	07/17/29	\$	242,875	\$ 238,334
Goal Capital Funding Trust (06-1-B)				
3.13% (3 mo. USD LIBOR + 0.450%) ⁽²⁾	08/25/42		260,313	243,655
GoldenTree Loan Opportunities IX, Ltd. (14-9A-AR2)				
3.62% ⁽¹⁾⁽⁴⁾	10/29/29		1,400,000	1,393,707
Higher Education Funding I (14-1-A)				
3.74% (3 mo. USD LIBOR + 1.050%) ⁽¹⁾⁽²⁾	05/25/34		518,200	522,843
LCM XXI LP (21A-AR)				
3.35% ⁽¹⁾⁽⁴⁾	04/20/28		1,100,000	1,084,073
Madison Park Funding, Ltd. (18-30A-A)				
3.19% ⁽¹⁾⁽⁴⁾	04/15/29		1,400,000	1,367,801
Magnetite VII, Ltd. (12-7A-A1R2)				
3.24% ⁽¹⁾⁽⁴⁾	01/15/28		410,000	404,397
Nelnet Student Loan Trust (14-4A-A2)				
3.46% (1 mo. USD LIBOR + 0.950%) ⁽¹⁾⁽²⁾	11/25/48		575,000	579,030
North Carolina State Education Assistance Authority (11-1-A3)				
3.39% (3 mo. USD LIBOR + 0.900%) ⁽²⁾	10/25/41		1,988,098	2,006,723
Scholar Funding Trust (12-B-A2)				
3.61% (1 mo. USD LIBOR + 1.100%) ⁽¹⁾⁽²⁾	03/28/46		793,277	799,964
SLC Student Loan Trust (04-1-B)				
2.91% (3 mo. USD LIBOR + 0.290%) ⁽²⁾	08/15/31		364,551	345,264
SLC Student Loan Trust (06-1-B)				
3.00% (3 mo. USD LIBOR + 0.210%) ⁽²⁾	03/15/55		464,460	442,726
SLM Student Loan Trust (04-2-B)				
2.96% (3 mo. USD LIBOR + 0.470%) ⁽²⁾	07/25/39		396,420	374,234
SLM Student Loan Trust (05-9-B)				
2.79% (3 mo. USD LIBOR + 0.300%) ⁽²⁾	01/25/41		474,235	454,662
SLM Student Loan Trust (06-8-A6)				
2.65% (3 mo. USD LIBOR + 0.160%) ⁽²⁾	01/25/41		1,400,000	1,363,745
SLM Student Loan Trust (07-6-B)				
3.34% (3 mo. USD LIBOR + 0.850%) ⁽²⁾	04/27/43		151,759	147,243
SLM Student Loan Trust (07-7-B)				
3.24% (3 mo. USD LIBOR + 0.750%) ⁽²⁾	10/27/70		150,000	140,607
SLM Student Loan Trust (08-2-B)				
3.69% (3 mo. USD LIBOR + 1.200%) ⁽²⁾	01/25/83		225,000	215,255

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

Schedule of Investments (Continued)

Issues	Maturity Date	Principal Amount	Value
ASSET-BACKED SECURITIES (Continued)			
SLM Student Loan Trust (08-3-B)			
3.69% (3 mo. USD LIBOR + 1.200%) ⁽²⁾	04/26/83	\$ 225,000	\$ 220,548
SLM Student Loan Trust (08-4-B)			
4.34% (3 mo. USD LIBOR + 1.850%) ⁽²⁾	04/25/73	480,000	493,812
SLM Student Loan Trust (08-5-B)			
4.34% (3 mo. USD LIBOR + 1.850%) ⁽²⁾	07/25/73	225,000	230,627
SLM Student Loan Trust (08-6-B)			
4.34% (3 mo. USD LIBOR + 1.850%) ⁽²⁾	07/26/83	225,000	230,200
SLM Student Loan Trust (08-7-B)			
4.34% (3 mo. USD LIBOR + 1.850%) ⁽²⁾	07/26/83	270,000	275,480
SLM Student Loan Trust (08-8-B)			
4.74% (3 mo. USD LIBOR + 2.250%) ⁽²⁾	10/25/75	225,000	236,266
SLM Student Loan Trust (08-9-B)			
4.74% (3 mo. USD LIBOR + 2.250%) ⁽²⁾	10/25/83	225,000	234,505
Structured Receivables Finance LLC (10-A-B)			
7.61% ⁽¹⁾	01/16/46	644,190	735,966
Structured Receivables Finance LLC (10-B-B)			
7.97% ⁽¹⁾	08/15/36	380,433	434,867
Student Loan Consolidation Center (02-2-B2)			
0.00% (28 day Auction Rate) ⁽¹⁾⁽²⁾⁽⁵⁾	07/01/42	1,400,000	1,119,474
Vermont Student Assistance Corp. (12-1-A)			
0.00% (1 mo. USD LIBOR + 0.70%) ⁽²⁾⁽⁵⁾	07/28/34	264,851	265,547
Voya CLO, Ltd. (15-2A-AR)			
3.45% ⁽¹⁾⁽⁴⁾	07/23/27	1,405,000	1,387,426
Total Asset-backed Securities			
(Cost: \$33,962,097)			33,939,692
MORTGAGE-BACKED SECURITIES 50.9%			
Commercial Mortgage-Backed Securities Agency 4.3%			
Fannie Mae, Pool #AN6168			
3.13%	07/01/32	550,000	519,302
Fannie Mae, Pool #AN9619			
3.77%	06/01/33	830,000	840,798
Fannie Mae, Pool #AN7345			
3.21%	11/01/37	1,442,578	1,363,145
Fannie Mae, Pool #AN9420			
3.77%	07/01/43	644,074	651,650
Fannie Mae (11-M5-A2) (ACES)(I/O)			
1.04% ⁽⁴⁾	07/25/21	5,779,374	133,072
Issues	Maturity Date	Principal Amount	Value

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Commercial Mortgage-Backed Securities Agency (Continued)

Fannie Mae (12-M11-FA) (ACES)				
2.80% (1.00 x 1 mo. USD LIBOR + 0.500%) ⁽²⁾	08/25/19	\$	68,998	\$ 68,925
Fannie Mae (12-M14-X2) (I/O)				
0.45% ⁽⁴⁾	09/25/22		12,305,190	161,506
Fannie Mae (16-M11-AL)				
2.94%	07/25/39		1,044,545	1,020,061
Fannie Mae (16-M11-X2) (I/O)				
2.71% ⁽⁴⁾	07/25/39		6,071,416	266,015
Freddie Mac, Pool #WA3303				
3.83%	05/01/35		1,396,817	1,424,542
Freddie Mac Multifamily Structured Pass-Through Certificates (K015-X3) (I/O)				
2.80% ⁽⁴⁾	08/25/39		4,000,000	271,620
Freddie Mac Multifamily Structured Pass-Through Certificates (K021-X3) (I/O)				
1.97% ⁽⁴⁾	07/25/40		2,500,000	165,479
Freddie Mac Multifamily Structured Pass-Through Certificates (K022-X3) (I/O)				
1.81% ⁽⁴⁾	08/25/40		2,500,000	150,789
Freddie Mac Multifamily Structured Pass-Through Certificates (K031-X3) (I/O)				
1.66% ⁽⁴⁾	07/25/41		4,500,000	295,260
Freddie Mac Multifamily Structured Pass-Through Certificates (Q004-A2H)				
2.87% ⁽⁴⁾	01/25/21		943,942	943,130
Freddie Mac Multifamily Structured Pass-Through Certificates (Q006-APT1)				
2.58% ⁽⁴⁾	07/25/26		1,332,397	1,350,159
Ginnie Mae (08-92-E)				
5.56% ⁽⁴⁾	03/16/44		488,278	494,000
Ginnie Mae (09-114-IO) (I/O)				
0.00% ⁽⁴⁾⁽⁵⁾	10/16/49		8,598,427	9,716
Ginnie Mae (11-10-IO) (I/O)				
0.06% ⁽⁴⁾	12/16/45		16,039,233	88,697
Ginnie Mae (11-105-IO) (I/O)				
0.00% ⁽⁴⁾⁽⁵⁾	09/16/51		8,905,620	59,401
Ginnie Mae (11-152-IO) (I/O)				
0.35% ⁽⁴⁾	08/16/51		4,065,323	48,560
Ginnie Mae (11-42-IO) (I/O)				
0.00% ⁽⁴⁾⁽⁵⁾	08/16/50		17,104,964	103,656
Ginnie Mae (12-4-IO) (I/O)				
0.20% ⁽⁴⁾	05/16/52		15,434,535	165,952
Ginnie Mae (14-103-IO) (I/O)				
0.61% ⁽⁴⁾	05/16/55		6,445,927	216,078
Ginnie Mae (14-125-IO) (I/O)				
0.97% ⁽⁴⁾	11/16/54		6,528,061	411,722
Ginnie Mae (14-88-IE) (I/O)				
0.33% ⁽⁴⁾	03/16/55		8,240,889	201,931

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

December 31, 2018

Issues	Maturity Date	Principal Amount	Value
Commercial Mortgage-Backed Securities Agency (Continued)			
Ginnie Mae (16-22-IX) (I/O)			
1.29% ⁽⁴⁾	06/16/38	\$ 515,290	\$ 106,418
Total Commercial Mortgage-Backed Securities Agency			11,531,584
(Cost: \$13,050,246)			
Commercial Mortgage-Backed Securities Non-Agency 3.2%			
BAMLL Commercial Mortgage Securities Trust (11-FSHN-A)			
4.42% ⁽¹⁾	07/11/33	300,000	306,020
BAMLL Commercial Mortgage Securities Trust (18-PARK-A)			
4.09% ⁽¹⁾⁽⁴⁾	08/10/38	415,000	432,235
Banc of America Commercial Mortgage Trust (07-5-AJ)			
6.03% ⁽⁴⁾	02/10/51	536,851	540,513
CGRBS Commercial Mortgage Trust (13-VN05-A)			
3.37% ⁽¹⁾	03/13/35	290,000	290,686
Citigroup Commercial Mortgage Trust (12-GC8-XA) (I/O)			
1.80% ⁽¹⁾⁽⁴⁾⁽⁶⁾	09/10/45	3,495,072	174,798
COMM Mortgage Trust (13-CR12-XA) (I/O)			
1.18% ⁽⁴⁾	10/10/46	10,245,057	449,635
COMM Mortgage Trust (13-LC13-XA) (I/O)			
1.16% ⁽⁴⁾	08/10/46	9,534,660	373,330
COMM Mortgage Trust (14-CR18-XA) (I/O)			
1.15% ⁽⁴⁾	07/15/47	8,813,406	320,617
Credit Suisse Commercial Mortgage Trust (07-C2-AJ)			
5.72% ⁽⁴⁾	01/15/49	592,649	597,680
Four Times Square Trust Commercial Mortgage Pass-Through Certificates (06-4TS-X) (I/O)			
0.18% ⁽¹⁾⁽⁴⁾⁽⁶⁾	12/13/28	52,615,736	229,357
GS Mortgage Securities Corp. Trust (12-SHOP-XA) (I/O)			
1.30% ⁽¹⁾⁽⁴⁾⁽⁶⁾	06/05/31	46,648,407	100,490
GS Mortgage Securities Trust (11-GC3-X) (I/O)			
0.66% ⁽¹⁾⁽⁴⁾	03/10/44	16,559,056	191,766
GS Mortgage Securities Trust (12-GC6-XB) (I/O)			
0.20% ⁽¹⁾⁽⁴⁾⁽⁶⁾	01/10/45	17,397,372	115,209
JPMBB Commercial Mortgage Securities Trust (14-C24-XA) (I/O)			
0.97% ⁽⁴⁾	11/15/47	9,253,280	322,479
JPMorgan Chase Commercial Mortgage Securities Trust (09-IWST-XA) (I/O)			
1.85% ⁽¹⁾⁽⁴⁾⁽⁶⁾	12/05/27	11,837,339	204,705
JPMorgan Chase Commercial Mortgage Securities Trust (11-C3-XB) (I/O)			
0.52% ⁽¹⁾⁽⁴⁾	02/15/46	56,164,173	655,017
JPMorgan Chase Commercial Mortgage Securities Trust (12-HSBC-XA) (I/O)			
1.43% ⁽¹⁾⁽⁴⁾⁽⁶⁾	07/05/32	4,594,529	202,233

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Issues	Maturity Date	Principal Amount	Value
Commercial Mortgage-Backed Securities Non-Agency (Continued)			
JPMorgan Chase Commercial Mortgage Securities Trust (13-LC11-XA) (I/O)			
1.27% ⁽⁴⁾	04/15/46	\$ 3,111,381	\$ 141,082
Morgan Stanley Capital I Trust (12-C4-XA) (I/O)			
2.08% ⁽¹⁾⁽⁴⁾⁽⁶⁾	03/15/45	5,627,981	291,816
SFAVE Commercial Mortgage Securities Trust (15-5AVE-A2A)			
3.66% ⁽¹⁾⁽⁴⁾	01/05/43	390,000	368,992
UBS Commercial Mortgage Trust (12-C1-XA) (I/O)			
2.07% ⁽¹⁾⁽⁴⁾⁽⁶⁾	05/10/45	5,684,347	313,977
VNDO Mortgage Trust (12-6AVE-A)			
3.00% ⁽¹⁾	11/15/30	280,000	277,815
Wells Fargo Commercial Mortgage Trust (12-LC5-XA) (I/O)			
1.78% ⁽¹⁾⁽⁴⁾	10/15/45	5,914,765	319,959
WFRBS Commercial Mortgage Trust (12-C8-XA) (I/O)			
1.84% ⁽¹⁾⁽⁴⁾⁽⁶⁾	08/15/45	4,639,659	242,212
WFRBS Commercial Mortgage Trust (12-C9-XA) (I/O)			
1.88% ⁽¹⁾⁽⁴⁾	11/15/45	2,940,972	175,002
WFRBS Commercial Mortgage Trust (13-C14-XA) (I/O)			
0.74% ⁽⁴⁾	06/15/46	8,948,438	238,700
WFRBS Commercial Mortgage Trust (14-C24-XA) (I/O)			
0.87% ⁽⁴⁾	11/15/47	6,055,855	221,210
WFRBS Commercial Mortgage Trust (14-LC14-XA) (I/O)			
1.30% ⁽⁴⁾	03/15/47	11,511,449	535,704
Total Commercial Mortgage-Backed Securities Non-agency			
(Cost: \$10,572,220)			8,633,239
Residential Mortgage-Backed Securities Agency 0.8%			
Fannie Mae (04-53-QV) (I/O) (I/F)			
1.59% ⁽⁴⁾	02/25/34	1,316,970	29,210
Fannie Mae (07-42-SE) (I/O) (I/F)			
3.60% (-1.00 x 1 mo. USD LIBOR + 6.110%) ⁽²⁾	05/25/37	149,658	16,793
Fannie Mae (07-48-SD) (I/O) (I/F)			
3.59% (-1.00 x 1 mo. USD LIBOR + 6.100%) ⁽²⁾	05/25/37	1,831,159	236,213
Fannie Mae (09-69-CS) (I/O) (I/F)			
4.24% (-1.00 x 1 mo. USD LIBOR + 6.750%) ⁽²⁾	09/25/39	312,528	46,183
Freddie Mac (1673-SD) (I/F) (PAC)			
12.80% (-2.15 x T10Y + 19.391%) ⁽²⁾	02/15/24	93,341	107,265
Freddie Mac (1760-ZD)			
2.56% (1 x T10Y - 0.500%) ⁽²⁾	02/15/24	201,550	198,525

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

Schedule of Investments (Continued)

Issues	Maturity Date	Principal Amount	Value
Residential Mortgage-Backed Securities Agency (Continued)			
Freddie Mac (2990-JK) (I/F)			
12.18% (-4.00079 x 1 mo. USD LIBOR + 22.004%) ⁽²⁾	03/15/35	\$ 155,729	\$ 182,490
Freddie Mac (3122-SG) (I/O) (I/F) (TAC) (PAC)			
3.17% (-1.00 x 1 mo. USD LIBOR + 5.630%) ⁽²⁾	03/15/36	2,754,093	366,975
Freddie Mac (3239-SI) (I/O) (I/F) (PAC)			
4.19% (-1.00 x 1 mo. USD LIBOR + 6.650%) ⁽²⁾	11/15/36	717,230	123,575
Freddie Mac (3323-SA) (I/O) (I/F)			
3.65% (-1.00 x 1 mo. USD LIBOR + 6.110%) ⁽²⁾	05/15/37	226,361	25,625
Freddie Mac (3459-JS) (I/O) (I/F)			
3.79% (-1.00 x 1 mo. USD LIBOR + 6.250%) ⁽²⁾	06/15/38	255,132	37,425
Freddie Mac (4030-HS) (I/O) (I/F)			
4.15% (-1.00 x 1 mo. USD LIBOR + 6.610%) ⁽²⁾	04/15/42	1,421,046	203,974
Ginnie Mae (06-35-SA) (I/O) (I/F)			
4.13% (-1.00 x 1 mo. USD LIBOR + 6.600%) ⁽²⁾	07/20/36	2,060,142	326,563
Ginnie Mae (06-61-SA) (I/O) (I/F) (TAC)			
2.28% (-1.00 x 1 mo. USD LIBOR + 4.750%) ⁽²⁾	11/20/36	3,365,427	189,949
Ginnie Mae (08-58-TS) (I/O) (I/F) (TAC)			
3.93% (-1.00 x 1 mo. USD LIBOR + 6.400%) ⁽²⁾	05/20/38	1,773,491	154,211
Total Residential Mortgage-Backed Securities Agency			
(Cost: \$1,495,806)			2,244,976
Residential Mortgage-Backed Securities Non-Agency 42.6%			
ACE Securities Corp. (04-IN1-A1)			
3.15% (1 mo. USD LIBOR + 0.640%) ⁽²⁾	05/25/34	551,848	512,326
ACE Securities Corp. (07-ASP1-A2C)			
2.77% (1 mo. USD LIBOR + 0.260%) ⁽²⁾	03/25/37	1,605,131	960,665
Adjustable Rate Mortgage Trust (05-4-6A22)			
4.18% ⁽⁴⁾	08/25/35	786,013	450,528
Adjustable Rate Mortgage Trust (06-1-2A1)			
5.10% ⁽⁴⁾	03/25/36	571,875	464,722
Asset-Backed Funding Certificates (07-NC1-A2)			
2.81% (1 mo. USD LIBOR + 0.300%) ⁽¹⁾⁽²⁾	05/25/37	1,502,616	1,458,853
Asset-Backed Securities Corp. Home Equity (06-HE1-A4)			
2.81% (1 mo. USD LIBOR + 0.300%) ⁽²⁾	01/25/36	1,500,000	1,456,190
	Maturity Date	Principal Amount	Value
Residential Mortgage-Backed Securities Non-Agency (Continued)			
Asset-Backed Securities Corp. Home Equity (06-HE3-A5)			
2.78% (1 mo. USD LIBOR + 0.270%) ⁽²⁾	03/25/36	\$ 3,000,000	\$ 2,896,494
Asset-Backed Securities Corp. Home Equity (07-HE1-A1B)			

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2.66% (1 mo. USD LIBOR + 0.150%) ⁽²⁾	12/25/36	737,832	718,905
Banc of America Alternative Loan Trust (05-10-1CB1)			
2.91% (1 mo. USD LIBOR + 0.400%) ⁽²⁾	11/25/35	841,040	757,933
Banc of America Funding Corp. (15-R3-6A2)			
2.49% ⁽¹⁾⁽⁴⁾	05/27/36	1,895,556	1,766,956
Banc of America Funding Trust (06-3-4A14)			
6.00%	03/25/36	500,510	493,955
Banc of America Funding Trust (06-3-5A3)			
5.50%	03/25/36	299,250	280,170
Banc of America Funding Trust (15-R4-2A1)			
2.52% (1 mo. USD LIBOR + 0.205%) ⁽¹⁾⁽²⁾	02/25/37	1,155,334	1,127,316
BCAP LLC Trust (11-RR3-5A3)			
3.95% ⁽¹⁾⁽⁴⁾	11/27/37	282,606	282,331
Bear Stearns Adjustable Rate Mortgage Trust (03-7-9A)			
4.72% ⁽⁴⁾	10/25/33	438,773	442,796
Bear Stearns Adjustable Rate Mortgage Trust (05-9-A1)			
4.73% (1 year Treasury Constant Maturity Rate + 2.300%) ⁽²⁾	10/25/35	394,794	398,762
Bear Stearns Adjustable Rate Mortgage Trust (07-4-22A1)			
3.92% ⁽⁴⁾	06/25/47	916,312	840,967
Bear Stearns ALT-A Trust (05-3-4A3)			
3.95% ⁽⁴⁾	04/25/35	726,256	727,645
Bear Stearns Asset-Backed Securities Trust (05-AC6-1A3)			
5.50% ⁽⁴⁾	09/25/35	586,517	580,732
Bear Stearns Asset-Backed Securities Trust (06-IM1-A1)			
2.74% (1 mo. USD LIBOR + 0.230%) ⁽²⁾	04/25/36	371,681	438,352
Bear Stearns Mortgage Funding Trust (07-AR3-1X) (I/O)			
0.50% ⁽³⁾	03/25/37	41,490,089	1,131,221
Centex Home Equity Loan Trust (05-A-AF5)			
5.78% ⁽⁴⁾	01/25/35	455,990	460,966
CIM Trust (17-7-A)			
3.00% ⁽¹⁾⁽⁴⁾	12/25/65	1,107,786	1,087,912
CIM Trust (18-R2-A1)			
3.69% ⁽¹⁾⁽⁴⁾	08/25/57	1,185,358	1,166,421
CIM Trust (18-R4-A1)			
4.07% ⁽¹⁾⁽⁴⁾	12/26/57	1,196,837	1,186,509

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

December 31, 2018

Issues	Maturity Date	Principal Amount	Value
Residential Mortgage-Backed Securities Non-Agency (Continued)			
Citigroup Mortgage Loan Trust, Inc. (05-11-A2A)			
4.82% (1 year Treasury Constant Maturity Rate + 2.400%) ⁽²⁾	10/25/35	\$ 584,769	\$ 594,727
Citigroup Mortgage Loan Trust, Inc. (05-8-1A1A)			
4.42% ⁽⁴⁾	10/25/35	1,276,763	1,208,870
Citigroup Mortgage Loan Trust, Inc. (14-10-2A2)			
2.57% (1 mo. USD LIBOR + 0.250%) ⁽¹⁾⁽²⁾	07/25/37	2,046,826	1,987,278
CitiMortgage Alternative Loan Trust (06-A3-1A7)			
6.00%	07/25/36	1,012,172	947,974
CitiMortgage Alternative Loan Trust (06-A5-1A8)			
6.00%	10/25/36	1,214,060	1,170,516
COLT Mortgage Loan Trust (16-1-A1)			
3.00% ⁽¹⁾	05/25/46	282,471	281,408
Conseco Finance Securitizations Corp. (01-4-A4)			
7.36% ⁽⁴⁾	08/01/32	64,713	65,973
Conseco Finance Securitizations Corp. (99-6-A1)			
7.36% ⁽¹⁾⁽⁴⁾	06/01/30	1,605,446	1,022,736
Conseco Financial Corp. (96-6-M1)			
7.95% ⁽⁴⁾	09/15/27	268,191	294,258
Conseco Financial Corp. (96-7-M1)			
7.70% ⁽⁴⁾	09/15/26	921,376	982,207
Conseco Financial Corp. (98-3-A6)			
6.76% ⁽⁴⁾	03/01/30	183,803	191,318
Conseco Financial Corp. (98-4-A5)			
6.18%	04/01/30	329,968	339,010
Conseco Financial Corp. (98-4-A6)			
6.53% ⁽⁴⁾	04/01/30	200,738	210,400
Conseco Financial Corp. (98-4-A7)			
6.87% ⁽⁴⁾	04/01/30	212,558	224,039
Countryplace Manufactured Housing Contract Trust (07-1-A4)			
5.85% ⁽¹⁾⁽⁴⁾	07/15/37	924,560	939,124
Countrywide Alternative Loan Trust (05-20CB-4A1)			
5.25%	07/25/20	143,376	141,621
Countrywide Alternative Loan Trust (06-8T1-1A2) (I/O)			
2.99% (1 mo. USD LIBOR + 5.500%) ⁽²⁾⁽³⁾	04/25/36	7,221,086	965,279
Countrywide Asset-Backed Certificates (07-13-2A1)			
3.41% (1 mo. USD LIBOR + 0.900%) ⁽²⁾	10/25/47	788,186	744,482
Countrywide Home Loans (04-HYB4-B1)			
4.33% ⁽⁴⁾⁽⁷⁾	09/20/34	997,428	282,440
Countrywide Home Loans (06-14-X) (I/O)			
0.19% ⁽³⁾⁽⁴⁾	09/25/36	23,629,075	133,845
Countrywide Home Loans (06-HYB2-1A1)			
4.20% ⁽⁴⁾⁽⁷⁾	04/20/36	1,328,067	1,033,992

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Issues	Maturity Date	Principal Amount	Value
Residential Mortgage-Backed Securities Non-Agency (Continued)			
Credit Suisse First Boston Mortgage Securities Corp. (04-AR5-11A2)			
3.25% (1 mo. USD LIBOR + 0.740%) ⁽²⁾	06/25/34	\$ 170,850	\$ 167,346
Credit Suisse First Boston Mortgage Securities Corp. (05-12-1A1)			
6.50%	01/25/36	1,323,554	825,719
Credit Suisse Mortgage Capital Certificates (06-6-1A8)			
6.00%	07/25/36	722,792	591,014
Credit Suisse Mortgage Trust (12-2R-1A2)			
4.67% ⁽¹⁾⁽⁴⁾	05/27/35	1,066,226	1,130,768
Credit-Based Asset Servicing and Securitization LLC (03-CB3-AF1)			
3.38% ⁽⁴⁾	12/25/32	571,087	566,540
Credit-Based Asset Servicing and Securitization LLC (05-CB4-M2)			
2.96% (1 mo. USD LIBOR + 0.450%) ⁽²⁾	07/25/35	1,205,167	1,209,794
Credit-Based Asset Servicing and Securitization LLC (06-CB1-AF2)			
3.37% ⁽⁴⁾	01/25/36	1,429,124	1,198,273
Credit-Based Asset Servicing and Securitization LLC (06-CB2-AF2)			
3.46% ⁽⁴⁾	12/25/36	2,651,829	2,317,456
Credit-Based Asset Servicing and Securitization LLC (07-CB2-A2B)			
4.10% ⁽⁴⁾	02/25/37	1,226,480	947,760
Credit-Based Asset Servicing and Securitization LLC (07-CB2-A2C)			
4.10% ⁽⁴⁾	02/25/37	1,205,032	931,068
Credit-Based Asset Servicing and Securitization LLC (07-CB3-A3)			
3.82% ⁽⁴⁾	03/25/37	1,498,442	855,996
Deutsche Alt-A Securities, Inc. Mortgage Loan Trust (06-AB2-A2)			
5.31% ⁽⁴⁾	06/25/36	1,859,478	1,746,672
Deutsche Alt-A Securities, Inc. Mortgage Loan Trust (06-AR6-A6)			
2.70% (1 mo. USD LIBOR + 0.190%) ⁽²⁾	02/25/37	717,857	645,321
DSL A Mortgage Loan Trust (06-AR2-2A1A)			
2.67% (1 mo. USD LIBOR + 0.200%) ⁽²⁾	10/19/36	512,721	447,570
First Franklin Mortgage Loan Asset-Backed Certificates (06-FF11-2A3)			
2.66% (1 mo. USD LIBOR + 0.150%) ⁽²⁾	08/25/36	1,583,083	1,326,933
First Franklin Mortgage Loan Asset-Backed Certificates (06-FF13-A2C)			
2.67% (1 mo. USD LIBOR + 0.160%) ⁽²⁾	10/25/36	1,009,836	769,872

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

Schedule of Investments (Continued)

Issues	Maturity Date	Principal Amount	Value
Residential Mortgage-Backed Securities Non-Agency (Continued)			
First Franklin Mortgage Loan Asset-Backed Certificates (06-FF18-A2D)			
2.72% (1 mo. USD LIBOR + 0.210%) ⁽²⁾	12/25/37	\$ 1,252,624	\$ 1,091,506
First Horizon Alternative Mortgage Securities Trust (05-AA10-2A1)			
3.81% ⁽⁴⁾	12/25/35	468,126	402,585
Greenpoint Manufactured Housing (00-1-A4)			
8.14% ⁽⁴⁾	03/20/30	792,431	800,430
GSAA Home Equity Trust (06-13-AF6)			
6.04% ⁽⁴⁾	07/25/36	1,580,782	860,746
GSC Capital Corp. Mortgage Trust (06-2-A1)			
2.69% (1 mo. USD LIBOR + 0.180%) ⁽²⁾	05/25/36	431,444	394,988
GSR Mortgage Loan Trust (05-AR3-6A1)			
3.90% ⁽⁴⁾	05/25/35	391,824	377,618
HSI Asset Loan Obligation Trust (07-2-2A12)			
6.00%	09/25/37	532,495	475,789
Indymac INDX Mortgage Loan Trust (04-AR6-5A1)			
4.32% ⁽⁴⁾	10/25/34	473,012	483,780
Indymac INDX Mortgage Loan Trust (05-AR19-A1)			
3.75% ⁽⁴⁾	10/25/35	667,821	555,241
Indymac INDX Mortgage Loan Trust (06-AR13-A4X) (I/O)			
0.82% ⁽³⁾⁽⁴⁾	07/25/36	331,520	915
Indymac INDX Mortgage Loan Trust (06-AR9-1A1)			
3.98% ⁽⁴⁾	06/25/36	914,366	776,743
Indymac INDX Mortgage Loan Trust (07-AR5-2A1)			
3.60% ⁽⁴⁾	05/25/37	1,142,691	1,058,124
Indymac INDX Mortgage Loan Trust (07-FLX2-A1C)			
2.70% (1 mo. USD LIBOR + 0.190%) ⁽²⁾	04/25/37	2,051,990	1,860,102
JPMorgan Alternative Loan Trust (06-A2-5A1)			
3.85% ⁽⁴⁾	05/25/36	734,436	623,152
JPMorgan Mortgage Acquisition Corp. (05-FRE1-A2F3)			
3.36% ⁽⁴⁾	10/25/35	758,671	761,911
JPMorgan Mortgage Acquisition Trust (06-WF1-A5)			
6.41%	07/25/36	2,555,594	1,323,526
JPMorgan Mortgage Acquisition Trust (07-CH4-A4)			
2.67% (1 mo. USD LIBOR + 0.160%) ⁽²⁾	01/25/36	311,957	310,711
JPMorgan Mortgage Trust (04-A6-5A1)			
4.24% ⁽⁴⁾	12/25/34	322,976	312,593
JPMorgan Mortgage Trust (07-S2-1A1)			
5.00%	06/25/37	224,786	164,837
JPMorgan Resecuritization Trust (15-4-1A5)			
2.51% (1 mo. USD LIBOR + 0.190%) ⁽¹⁾⁽²⁾	06/26/47	1,863,000	1,744,931

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JPMorgan Resecuritization Trust (15-4-2A2)			
Issues	Maturity Date	Principal Amount	Value
4.04% ⁽¹⁾⁽⁴⁾	06/26/47	4,128,920	1,592,350
Residential Mortgage-Backed Securities Non-Agency (Continued)			
Lehman ABS Manufactured Housing Contract Trust (01-B-A6)			
6.47% ⁽⁴⁾	04/15/40	\$ 22,872	\$ 23,037
Lehman XS Trust (06-10N-1A3A)			
2.72% (1 mo. USD LIBOR + 0.210%) ⁽²⁾	07/25/46	960,892	929,964
Lehman XS Trust (06-12N-A31A)			
2.71% (1 mo. USD LIBOR + 0.200%) ⁽²⁾	08/25/46	1,381,704	1,272,839
Long Beach Mortgage Loan Trust (04-4-M1)			
3.41% (1 mo. USD LIBOR + 0.900%) ⁽²⁾	10/25/34	1,120,660	1,118,204
MASTR Alternative Loans Trust (07-HF1-4A1)			
7.00% ⁽⁷⁾	10/25/47	1,167,154	869,844
MASTR Asset-Backed Securities Trust (06-NC1-A4)			
3.11% (1 mo. USD LIBOR + 0.300%) ⁽²⁾	01/25/36	241,585	238,741
MASTR Asset-Backed Securities Trust (07-HE1-A4)			
2.79% (1 mo. USD LIBOR + 0.280%) ⁽²⁾	05/25/37	2,000,000	1,702,262
Merrill Lynch Alternative Note Asset Trust (07-OAR2-A2)			
2.72% (1 mo. USD LIBOR + 0.210%) ⁽²⁾	04/25/37	1,401,398	1,189,463
Merrill Lynch First Franklin Mortgage Loan Trust (07-3-A2B)			
2.64% (1 mo. USD LIBOR + 0.130%) ⁽²⁾	06/25/37	728,422	532,847
Merrill Lynch First Franklin Mortgage Loan Trust (07-3-A2C)			
2.69% (1 mo. USD LIBOR + 0.180%) ⁽²⁾	06/25/37	1,487,421	1,094,381
Merrill Lynch Mortgage-Backed Securities Trust (07-2-1A1)			
5.09% (1 year Treasury Constant Maturity Rate + 2.400%) ⁽²⁾	08/25/36	350,212	341,494
Mid-State Trust (04-1-B)			
8.90%	08/15/37	366,951	419,665
Mid-State Trust (04-1-M1)			
6.50%	08/15/37	366,951	388,242
Morgan Stanley ABS Capital I, Inc. Trust (06-HE3-A1)			
2.65% (1 mo. USD LIBOR + 0.140%) ⁽²⁾	04/25/36	758,146	737,650
Morgan Stanley ABS Capital I, Inc. Trust (07-15AR-4A1)			
3.45% ⁽⁴⁾⁽⁷⁾	11/25/37	597,625	547,469
Morgan Stanley Home Equity Loan Trust (06-2-A4)			
2.79% (1 mo. USD LIBOR + 0.280%) ⁽²⁾	02/25/36	906,037	883,154
MortgageIT Trust (05-5-A1)			
2.77% (1 mo. USD LIBOR + 0.260%) ⁽²⁾	12/25/35	505,997	502,256

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

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Issues	Maturity Date	Principal Amount	Value
Residential Mortgage-Backed Securities Non-Agency (Continued)			
Nationstar Home Equity Loan Trust (07-B-2AV3)			
2.76% (1 mo. USD LIBOR + 0.250%) ⁽²⁾	04/25/37	\$ 1,885,480	\$ 1,882,413
New Century Home Equity Loan Trust (05-B-A2D)			
2.91% (1 mo. USD LIBOR + 0.400%) ⁽²⁾	10/25/35	775,516	767,500
New Century Home Equity Loan Trust (06-C-A2D)			
2.85% (1 mo. USD LIBOR + 0.340%) ⁽²⁾	12/25/35	1,700,000	1,694,155
Nomura Asset Acceptance Corp. (06-AR1-1A)			
5.18% ⁽⁴⁾	02/25/36	1,263,031	1,108,028
Oakwood Mortgage Investors, Inc. (00-A-A4)			
8.15% ⁽⁴⁾	09/15/29	1,837,726	1,010,934
Oakwood Mortgage Investors, Inc. (00-D-A4)			
7.40% ⁽⁴⁾	07/15/30	738,981	345,244
Oakwood Mortgage Investors, Inc. (01-C-A3)			
6.61% ⁽⁴⁾	06/15/31	1,671,951	495,379
Oakwood Mortgage Investors, Inc. (01-D-A3)			
5.90% ⁽⁴⁾	09/15/22	898,344	711,705
Oakwood Mortgage Investors, Inc. (01-D-A4)			
6.93% ⁽⁴⁾	09/15/31	520,481	445,354
Oakwood Mortgage Investors, Inc. (02-A-A3)			
6.03% ⁽⁴⁾	05/15/24	271,302	281,578
Oakwood Mortgage Investors, Inc. (98-A-M)			
6.83% ⁽⁴⁾	05/15/28	230,038	238,467
Oakwood Mortgage Investors, Inc. (99-B-A4)			
6.99%	12/15/26	261,528	272,235
Oakwood Mortgage Investors, Inc. (99-E-A1)			
7.61% ⁽⁴⁾	03/15/30	994,526	895,475
Park Place Securities, Inc. (05-WCW1-M1)			
2.96% (1 mo. USD LIBOR + 0.450%) ⁽²⁾	09/25/35	64,283	64,458
Popular ABS Mortgage Pass-Through Trust (05-6-A4)			
3.84% ⁽⁴⁾	01/25/36	611,000	608,828
RALI Series Trust (06-QS13-1A2) (I/O)			
4.65% (1 mo. USD LIBOR + 7.160%) ⁽²⁾⁽³⁾	09/25/36	4,886,553	779,513
RALI Series Trust (06-QS7-A2)			
6.00%	06/25/36	739,887	670,773
RASC Series Trust (05-KS11-M1)			
2.91% (1 mo. USD LIBOR + 0.400%) ⁽²⁾	12/25/35	540,786	542,823
RBSSP Resecuritization Trust (12-6-4A2)			
2.65% (1 mo. USD LIBOR + 0.330%) ⁽¹⁾⁽²⁾	01/26/36	2,225,440	2,197,130
Residential Accredited Loans, Inc. (05-QA7-A1)			
4.26% ⁽⁴⁾	07/25/35	1,276,878	1,052,155
Residential Accredited Loans, Inc. (05-QA8-CB21)			
4.56% ⁽⁴⁾	07/25/35	654,859	502,369

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Issues	Maturity Date	Principal Amount	Value
Residential Mortgage-Backed Securities Non-Agency (Continued)			
Residential Accredit Loans, Inc. (06-QA10-A2)			
2.69% (1 mo. USD LIBOR + 0.180%) ⁽²⁾	12/25/36	\$ 915,753	\$ 869,314
Residential Accredit Loans, Inc. (06-QS1-A3) (PAC)			
5.75%	01/25/36	561,192	536,774
Residential Accredit Loans, Inc. (06-QS11-AV) (I/O)			
0.35% ⁽³⁾⁽⁴⁾	08/25/36	13,536,993	195,682
Residential Accredit Loans, Inc. (06-QS6-1AV) (I/O)			
0.75% ⁽³⁾⁽⁴⁾	06/25/36	5,989,415	154,262
Residential Accredit Loans, Inc. (06-QS8-A3)			
6.00%	08/25/36	1,193,545	1,080,364
Residential Accredit Loans, Inc. (07-QS2-AV) (I/O)			
0.33% ⁽³⁾⁽⁴⁾	01/25/37	14,932,401	177,546
Residential Accredit Loans, Inc. (07-QS3-AV) (I/O)			
0.36% ⁽³⁾⁽⁴⁾	02/25/37	15,733,885	212,955
Residential Accredit Loans, Inc. (07-QS6-A62) (TAC)			
5.50%	04/25/37	361,080	325,552
Residential Asset Mortgage Products, Inc. (06-RZ3-A3)			
2.80% (1 mo. USD LIBOR + 0.290%) ⁽²⁾	08/25/36	545,508	545,725
Residential Asset Securitization Trust (05-A15-4A1)			
6.00%	02/25/36	1,102,631	725,554
Residential Asset Securitization Trust (07-A5-AX) (I/O)			
6.00% ⁽³⁾	05/25/37	2,566,435	390,218
Residential Funding Mortgage Securities (06-S9-AV) (I/O)			
0.32% ⁽³⁾⁽⁴⁾	09/25/36	35,893,635	327,725
Saxon Asset Securities Trust (07-3-2A4)			
3.00% (1 mo. USD LIBOR + 0.490%) ⁽²⁾	09/25/47	2,926,000	2,540,459
Securitized Asset-Backed Receivables LLC Trust (07-NC2-A2C)			
2.73% (1 mo. USD LIBOR + 0.220%) ⁽²⁾	01/25/37	4,614,000	3,295,837
Soundview Home Loan Trust (06-1-A4)			
2.81% (1 mo. USD LIBOR + 0.300%) ⁽²⁾	02/25/36	893,328	878,098
Structured Adjustable Rate Mortgage Loan Trust (05-20-1A1)			
4.47% ⁽⁴⁾	10/25/35	306,995	296,343
Structured Adjustable Rate Mortgage Loan Trust (07-9-2A1)			
4.19% ⁽⁴⁾	10/25/47	457,463	381,870
Structured Asset Investment Loan Trust (05-3-M2)			
3.17% (1 mo. USD LIBOR + 0.660%) ⁽²⁾	04/25/35	447,579	448,239
Structured Asset Securities Corp. (05-WF4-M2)			
3.15% (1 mo. USD LIBOR + 0.430%) ⁽²⁾	11/25/35	137,171	137,565

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

Schedule of Investments (Continued)

Issues	Maturity Date	Principal Amount	Value
Residential Mortgage-Backed Securities Non-Agency (Continued)			
Structured Asset Securities Corp. (06-GEL4-A3)			
2.81% (1 mo. USD LIBOR + 0.300%) ⁽¹⁾⁽²⁾	10/25/36	\$ 605,450	\$ 604,675
WAMU Asset-Backed Certificates (07-HE1-2A3)			
2.66% (1 mo. USD LIBOR + 0.150%) ⁽²⁾	01/25/37	2,217,166	1,411,920
Wells Fargo Alternative Loan Trust (07-PA2-2A2) (I/O)			
3.56% (-1.00 x 1 mo. USD LIBOR + 6.070%) ⁽²⁾⁽³⁾	06/25/37	4,294,694	547,163
Wells Fargo Home Equity Trust (06-2-A3)			
2.72% (1 mo. USD LIBOR + 0.210%) ⁽²⁾	01/25/37	730,000	707,710
Wells Fargo Home Equity Trust (06-2-A4)			
2.76% (1 mo. USD LIBOR + 0.250%) ⁽²⁾	07/25/36	381,441	378,148
Wells Fargo Mortgage-Backed Securities Trust (06-AR10-5A1)			
4.43% ⁽⁴⁾	07/25/36	390,892	390,741
Wells Fargo Mortgage-Backed Securities Trust (07-AR3-A4)			
4.16% ⁽⁴⁾	04/25/37	357,729	349,647
Wells Fargo Mortgage-Backed Securities Trust (08-1-4A1)			
5.75%	02/25/38	150,869	157,346
Total Residential Mortgage-Backed Securities Non-Agency			
(Cost: \$102,199,420)			114,927,264
Total Mortgage-Backed Securities			
(Cost: \$127,317,692)			137,337,063
CORPORATE BONDS 34.3%			
Advertising 0.0%			
Clear Channel International BV			
8.75% ⁽¹⁾	12/15/20	95,000	96,069
Aerospace/Defense 0.5%			
BAE Systems Holdings, Inc.			
2.85% ⁽¹⁾	12/15/20	500,000	493,647
L3 Technologies, Inc.			
4.40%	06/15/28	420,000	421,612
Northrop Grumman Corp.			
2.93%	01/15/25	590,000	560,606
			1,475,865
Agriculture 0.2%			
BAT Capital Corp.			
2.76%	08/15/22	450,000	425,394
Reynolds American, Inc.			
4.45%	06/12/25	140,000	135,179

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560,573

Issues	Maturity Date	Principal Amount	Value
Airlines 0.6%			
America West Airlines, Inc. Pass-Through Certificates (01-1) (EETC)			
7.10%	10/02/22	\$ 248,129	\$ 257,434
Continental Airlines, Inc. Pass-Through Certificates (00-2-A1) (EETC)			
7.71%	10/02/22	362,910	381,736
Delta Air Lines, Inc. Pass-Through Certificates (02-1G1) (EETC)			
6.72%	07/02/24	410,462	436,357
US Airways Group, Inc. Pass-Through Certificates (10-1A) (EETC)			
6.25%	10/22/24	464,226	494,276
			1,569,803

Auto Manufacturers 1.0%			
Ford Motor Credit Co. LLC			
2.94%	01/08/19	900,000	899,874
3.20%	01/15/21	525,000	508,978
3.34%	03/28/22	645,000	607,477
4.08% (3 mo. USD LIBOR + 1.270%) ⁽²⁾	03/28/22	345,000	329,805
8.13%	01/15/20	280,000	289,394
General Motors Co.			
4.88%	10/02/23	150,000	150,497
			2,786,025

Banks 9.1%			
Bank of America Corp.			
2.74% (2.738% to 1/23/21 then 3 mo. USD LIBOR + 0.370%) ⁽²⁾	01/23/22	705,000	694,507
3.00% (3.004% until 12/20/22 then 3 mo. USD LIBOR + 0.790%) ⁽²⁾	12/20/23	140,000	136,157
3.42% (3.419% to 12/20/17 then 3 mo. USD LIBOR + 1.040%) ⁽²⁾	12/20/28	1,916,000	1,791,868
3.50% (3.499% until 5/17/21 then 3 mo. USD LIBOR + 0.630%) ⁽²⁾	05/17/22	500,000	500,337
4.00%	04/01/24	406,000	408,538
4.27% (4.271% to 7/23/28 then 3 mo. USD LIBOR + 1.31%) ⁽²⁾	07/23/29	175,000	174,924
Bank of New York Mellon Corp. (The)			
2.60%	02/07/22	835,000	819,272
3.25%	09/11/24	140,000	137,634
Citibank N.A.			
3.40%	07/23/21	500,000	500,812
Citigroup, Inc.			
2.05%	06/07/19	500,000	497,945
8.50%	05/22/19	1,500,000	1,531,403

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

December 31, 2018

Issues	Maturity Date	Principal Amount	Value
Banks (Continued)			
Goldman Sachs Group, Inc. (The)			
2.30%	12/13/19	\$ 810,000	\$ 802,659
3.27% (3.272% until 9/29/24 then 3 mo. USD LIBOR + 1.201%) ⁽²⁾	09/29/25	430,000	403,428
3.69% (3 mo. USD LIBOR + 1.510%) ⁽²⁾	06/05/28	590,000	552,658
3.75%	05/22/25	750,000	719,204
4.22% (4.223% until 5/01/18 then 3 mo. USD LIBOR + 1.301%) ⁽²⁾	05/01/29	140,000	135,140
4.31% (3 mo. USD LIBOR + 1.600%) ⁽²⁾	11/29/23	500,000	496,092
JPMorgan Chase & Co.			
3.22% (3 mo. USD LIBOR + 1.155%) ⁽²⁾	03/01/25	380,000	367,515
3.51% (3.514% until 6/18/21 then 3 mo. USD LIBOR + 0.610%) ⁽²⁾	06/18/22	560,000	561,462
3.54% (3 mo. USD LIBOR + 1.380%) ⁽²⁾	05/01/28	690,000	658,893
3.90%	07/15/25	1,000,000	992,235
4.02% (4.023% until 12/05/2023 then 3 mo. USD LIBOR + 1.000%) ⁽²⁾	12/05/24	690,000	695,953
JPMorgan Chase Bank NA			
2.60% (2.604% until 2/01/2020 then 3 mo. USD LIBOR + 0.280%) ⁽²⁾	02/01/21	1,130,000	1,122,427
2.87% (3 mo. USD LIBOR + 0.250%) ⁽²⁾	02/13/20	1,130,000	1,128,688
Lloyds Banking Group PLC (United Kingdom)			
2.91% (2.907% until 11/07/22 then 3 mo. USD LIBOR + 0.810%) ⁽²⁾	11/07/23	285,000	269,741
Lloyds TSB Bank PLC (United Kingdom)			
5.80% ⁽¹⁾	01/13/20	650,000	665,454
Morgan Stanley			
3.41% (3 mo. USD LIBOR + 0.800%) ⁽²⁾	02/14/20	380,000	380,017
3.63%	01/20/27	550,000	523,258
3.88%	04/29/24	400,000	398,373
Santander UK Group Holdings PLC (United Kingdom)			
3.37% (3.373% until 1/05/23 then 3 mo. USD LIBOR + 1.080%) ⁽²⁾	01/05/24	435,000	412,955
3.40%	06/01/21	975,000	970,577
Wells Fargo & Co.			
2.63%	07/22/22	140,000	134,906
3.00%	10/23/26	750,000	695,006
3.00%	04/22/26	450,000	419,119
Issues	Maturity Date	Principal Amount	Value
Banks (Continued)			
3.58% (3 mo. USD LIBOR + 1.310%) ⁽²⁾	05/22/28	\$ 850,000	\$ 816,415
3.76% (3 mo. USD LIBOR + 1.230%) ⁽²⁾	10/31/23	500,000	498,549
Wells Fargo Bank N.A.			
2.40%	01/15/20	850,000	842,656
3.33% (3.325% until 7/23/20 then 3 mo. USD LIBOR + 0.490%) ⁽²⁾	07/23/21	700,000	699,475
Wells Fargo Bank NA			
3.63%	10/22/21	835,000	840,275
			24,396,527

Beverages 0.3%

Anheuser-Busch Companies LLC / Anheuser-Busch InBev Worldwide, Inc.

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4.90% ⁽¹⁾	02/01/46	469,000	436,093
Bacardi, Ltd.			
4.70% ⁽¹⁾	05/15/28	15,000	14,442
5.30% ⁽¹⁾	05/15/48	280,000	253,665
			704,200

Biotechnology 0.5%

Amgen, Inc.			
4.40%	05/01/45	770,000	722,821
Baxalta, Inc.			
2.88%	06/23/20	90,000	89,228
Celgene Corp.			
4.63%	05/15/44	500,000	440,771
			1,252,820

Chemicals 0.2%

Axalta Coating Systems LLC			
4.88% ⁽¹⁾	08/15/24	275,000	261,250
Valvoline, Inc.			
5.50%	07/15/24	210,000	205,905
			467,155

Commercial Services 0.3%

IHS Markit, Ltd.			
4.00% ⁽¹⁾	03/01/26	73,000	68,072
4.75%	08/01/28	120,000	117,653
5.00% ⁽¹⁾	11/01/22	421,000	427,315
Mathews International Corp.			
5.25% ⁽¹⁾	12/01/25	160,000	149,200
			762,240

Computers 0.1%

Apple, Inc.			
3.00%	11/13/27	400,000	380,362

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

Schedule of Investments (Continued)

Issues	Maturity Date	Principal Amount	Value
Cosmetics/Personal Care 0.0%			
First Quality Finance Co., Inc.			
5.00% ⁽¹⁾	07/01/25	\$ 144,000	\$ 129,240
Diversified Financial Services 1.0%			
AerCap Ireland Capital DAC / AerCap Global Aviation Trust (Ireland)			
4.50%	05/15/21	300,000	301,500
Air Lease Corp.			
2.13%	01/15/20	500,000	492,899
3.50%	01/15/22	490,000	482,549
GE Capital International Funding Co. Unlimited Co. (Ireland)			
2.34%	11/15/20	790,000	762,450
Raymond James Financial, Inc.			
5.63%	04/01/24	650,000	703,705
			2,743,103
Electric 0.5%			
FirstEnergy Transmission LLC			
4.35% ⁽¹⁾	01/15/25	750,000	760,381
NextEra Energy Operating Partners LP			
4.50% ⁽¹⁾	09/15/27	148,000	132,460
Puget Energy, Inc.			
6.00%	09/01/21	500,000	529,240
			1,422,081
Engineering & Construction 0.3%			
Heathrow Funding, Ltd. (United Kingdom)			
4.88% ⁽¹⁾	07/15/23	700,000	723,130
Entertainment 0.1%			
Churchill Downs, Inc.			
4.75% ⁽¹⁾	01/15/28	140,000	127,358
Rivers Pittsburgh Borrower LP / Rivers Pittsburgh Finance Corp.			
6.13% ⁽¹⁾	08/15/21	125,000	121,562
			248,920
Environmental Control 0.2%			
Clean Harbors, Inc.			
5.13%	06/01/21	135,000	135,000
Covanta Holding Corp.			
5.88%	07/01/25	125,000	115,469

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6.00%	01/01/27	160,000	144,208
GFL Environmental, Inc.			
5.38% ⁽¹⁾	03/01/23	160,000	140,800
			535,477

Food 1.3%

Chobani LLC / Chobani Finance Corp., Inc.			
7.50% ⁽¹⁾	04/15/25	88,000	69,740
	Maturity Date	Principal Amount	Value

Food (Continued)

Conagra Brands, Inc.			
2.91% (3 mo. USD LIBOR + 0.500%) ⁽²⁾	10/09/20	\$ 650,000	\$ 642,881
General Mills, Inc.			
4.20%	04/17/28	420,000	412,347
Kraft Heinz Foods Co.			
3.00%	06/01/26	400,000	357,413
4.63%	01/30/29	455,000	450,764
6.38%	07/15/28	210,000	227,068
Lamb Weston Holdings, Inc.			
4.63% ⁽¹⁾	11/01/24	120,000	117,000
Mondelez International Holdings Netherlands BV			
1.63% ⁽¹⁾	10/28/19	900,000	889,149
Post Holdings, Inc.			
5.63% ⁽¹⁾	01/15/28	204,000	188,445
5.75% ⁽¹⁾	03/01/27	144,000	135,720
			3,490,527

Forest Products & Paper 0.3%

Georgia-Pacific LLC			
2.54% ⁽¹⁾	11/15/19	800,000	796,481

Healthcare-Products 0.3%

Becton Dickinson and Co.			
3.68% (3 mo. USD LIBOR + 0.875%) ⁽²⁾	12/29/20	400,000	396,093
Hill-Rom Holdings, Inc.			
5.75% ⁽¹⁾	09/01/23	130,000	130,650
Hologic, Inc.			
4.63% ⁽¹⁾	02/01/28	320,000	290,080
			816,823

Healthcare-Services 1.5%

Anthem, Inc.			
3.65%	12/01/27	430,000	411,438
Catalent Pharma Solutions, Inc.			
4.88% ⁽¹⁾	01/15/26	90,000	85,725
Centene Corp.			
5.38% ⁽¹⁾	06/01/26	418,000	409,243
5.63%	02/15/21	255,000	256,275
Cigna Corp.			
3.05%	10/15/27	430,000	390,527
HCA, Inc.			

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4.75%	05/01/23	300,000	296,250
5.00%	03/15/24	112,000	111,160
5.25%	04/15/25	71,000	70,823
6.50%	02/15/20	167,000	171,592
Humana, Inc.			
2.90%	12/15/22	435,000	421,562

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

December 31, 2018

Issues	Maturity Date	Principal Amount	Value
Healthcare-Services (Continued)			
Molina Healthcare, Inc.			
4.88% ⁽¹⁾	06/15/25	\$ 140,000	\$ 128,275
5.38%	11/15/22	140,000	135,100
MPH Acquisition Holdings LLC			
7.13% ⁽¹⁾	06/01/24	85,000	79,475
NYU Hospitals Center			
4.43%	07/01/42	700,000	715,863
Tenet Healthcare Corp.			
4.63%	07/15/24	234,000	218,497
4.75%	06/01/20	50,000	50,030
WellCare Health Plans, Inc.			
5.25%	04/01/25	122,000	117,883
5.38% ⁽¹⁾	08/15/26	27,000	26,190
			4,095,908
Household Products/Wares 0.2%			
Central Garden & Pet Co.			
5.13%	02/01/28	84,000	75,600
6.13%	11/15/23	158,000	158,790
Spectrum Brands, Inc.			
5.75%	07/15/25	135,000	128,547
6.13%	12/15/24	135,000	130,444
			493,381
Insurance 0.7%			
Berkshire Hathaway Finance Corp.			
4.20%	08/15/48	400,000	398,597
Farmers Exchange Capital			
7.05% ⁽¹⁾	07/15/28	500,000	581,277
Nationwide Mutual Insurance Co.			
5.08% (3 mo. USD LIBOR + 2.290%) ⁽¹⁾⁽²⁾	12/15/24	1,000,000	995,000
			1,974,874
Internet 0.0%			
Zayo Group LLC / Zayo Capital, Inc.			
5.75% ⁽¹⁾	01/15/27	140,000	125,300
Machinery-Diversified 0.0%			
Titan Acquisition, Ltd. / Titan Co-Borrower LLC			
7.75% ⁽¹⁾	04/15/26	140,000	120,925

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Media 1.1%

CCO Holdings LLC / CCO Holdings Capital Corp.				
5.13%	⁽¹⁾	05/01/27	146,000	136,166
Charter Communications Operating LLC / Charter Communications Operating Capital				
4.91%		07/23/25	850,000	846,990
6.48%		10/23/45	150,000	154,515
Comcast Corp.				
2.35%		01/15/27	280,000	249,840
4.70%		10/15/48	705,000	714,373
	Issues	Maturity Date	Principal Amount	Value

Media (Continued)

CSC Holdings LLC				
5.50%	⁽¹⁾	05/15/26	\$ 300,000	\$ 283,500
Discovery Communications LLC				
2.80%	⁽¹⁾	06/15/20	345,000	341,463
Sirius XM Radio, Inc.				
3.88%	⁽¹⁾	08/01/22	130,000	124,638
				2,851,485

Mining 0.3%

Corp. Nacional del Cobre de Chile				
3.63%	⁽⁸⁾	08/01/27	350,000	333,445
Indonesia Asahan Aluminium Persero PT				
6.53%	⁽¹⁾	11/15/28	500,000	525,625
				859,070

Miscellaneous Manufacturers 0.9%

General Electric Capital Corp.				
3.10%	(3 mo. USD LIBOR + 0.480%) ⁽²⁾	08/15/36	2,400,000	1,656,082
General Electric Co.				
4.65%		10/17/21	300,000	301,229
5.55%		01/05/26	415,000	412,240
				2,369,551

Oil & Gas 1.0%

Antero Resources Corp.				
5.00%		03/01/25	50,000	45,500
5.13%		12/01/22	100,000	95,000
Centennial Resource Production LLC				
5.38%	⁽¹⁾	01/15/26	80,000	74,800
CrownRock LP / CrownRock Finance, Inc.				
5.63%	⁽¹⁾	10/15/25	72,000	65,610
Diamondback Energy, Inc.				
5.38%		05/31/25	140,000	138,600
Endeavor Energy Resources LP / EER Finance, Inc.				
5.50%	⁽¹⁾	01/30/26	52,000	53,495
Gulfport Energy Corp.				
6.38%		05/15/25	35,000	31,106
KazMunayGas National Co.				
5.38%	⁽⁸⁾	04/24/30	300,000	295,875
Matador Resources Co.				

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5.88%	09/15/26	84,000	77,700
Newfield Exploration Co.			
5.63%	07/01/24	55,000	55,963
5.75%	01/30/22	135,000	136,687
Parsley Energy LLC / Parsley Finance Corp.			
5.25% ⁽¹⁾	08/15/25	130,000	118,300
5.63% ⁽¹⁾	10/15/27	65,000	59,231
Petrobras Global Finance BV (Brazil)			
5.75%	02/01/29	100,000	92,750

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

Schedule of Investments (Continued)

Issues	Maturity Date	Principal Amount	Value
Oil & Gas (Continued)			
Petroleos Mexicanos Co. (Mexico)			
6.50%	03/13/27	\$ 140,000	\$ 131,950
6.50%	01/23/29	735,000	685,681
Sunoco LP / Sunoco Finance Corp.			
5.88%	03/15/28	280,000	262,500
Transocean Guardian, Ltd.			
5.88% ⁽¹⁾	01/15/24	77,000	74,113
Transocean Pontus, Ltd.			
6.13% ⁽¹⁾	08/01/25	102,000	98,940
WPX Energy, Inc.			
5.75%	06/01/26	73,000	66,430
			2,660,231
Oil & Gas Services 0.1%			
Transocean Proteus, Ltd.			
6.25% ⁽¹⁾	12/01/24	156,000	150,150
USA Compression Partners LP / USA Compression Finance Corp.			
6.88% ⁽¹⁾	04/01/26	142,000	137,030
			287,180
Packaging & Containers 0.9%			
Amcor Finance USA, Inc.			
3.63% ⁽¹⁾	04/28/26	400,000	377,970
Ardagh Packaging Finance PLC / Ardagh Holdings USA, Inc. (Ireland)			
4.63% ⁽¹⁾	05/15/23	300,000	285,750
Ball Corp.			
4.00%	11/15/23	90,000	87,525
Berry Global, Inc.			
4.50% ⁽¹⁾	02/15/26	21,000	19,267
Berry Plastics Corp.			
5.13%	07/15/23	65,000	64,451
Crown Americas LLC / Crown Americas Capital Corp. V			
4.25%	09/30/26	100,000	90,125
Graphic Packaging International, Inc.			
4.13%	08/15/24	280,000	264,600
Multi-Color Corp.			
4.88% ⁽¹⁾	11/01/25	140,000	120,750
Reynolds Group Issuer, Inc. / Reynolds Group Issuer LLC / Reynolds Group Issuer S.A. (Luxembourg)			
5.75%	10/15/20	397,334	397,334
Sealed Air Corp.			
5.50% ⁽¹⁾	09/15/25	140,000	138,600

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Westrock Co.				
4.65%	⁽¹⁾	03/15/26	555,000	564,321
				2,410,693

Pharmaceuticals 1.9%

	Issues	Maturity Date	Principal Amount	Value
AbbVie, Inc.				
4.88%		11/14/48	275,000	257,178
Pharmaceuticals (Continued)				
AstraZeneca PLC (United Kingdom)				
3.13%		06/12/27	\$ 417,000	\$ 388,899
Bausch Health Cos, Inc. (Canada)				
5.50%	⁽¹⁾	11/01/25	515,000	482,169
5.88%	⁽¹⁾	05/15/23	11,000	10,189
Bayer US Finance II LLC				
4.38%	⁽¹⁾	12/15/28	565,000	538,702
CVS Health Corp.				
2.25%		08/12/19	750,000	746,438
5.05%		03/25/48	705,000	688,268
Halfmoon Parent, Inc.				
4.13%	⁽¹⁾	11/15/25	750,000	750,055
Shire Acquisitions Investments Ireland DAC (Ireland)				
1.90%		09/23/19	500,000	493,080
2.40%		09/23/21	350,000	338,664
Teva Pharmaceutical Finance IV LLC (Israel)				
2.25%		03/18/20	300,000	290,806
Valeant Pharmaceuticals International, Inc. (Canada)				
6.13%	⁽¹⁾	04/15/25	64,000	55,840
				5,040,288

Pipelines 2.1%

Cheniere Energy Partners LP				
5.25%		10/01/25	150,000	140,437
Enbridge Energy Partners LP				
5.88%		10/15/25	50,000	54,049
Energy Transfer LP				
5.50%		06/01/27	287,000	280,542
Energy Transfer Operating LP				
4.90%		02/01/24	300,000	302,386
EQT Midstream Partners LP				
4.13%		12/01/26	500,000	449,907
Kinder Morgan, Inc.				
5.63%	⁽¹⁾	11/15/23	500,000	529,108
NGPL PipeCo LLC				
4.38%	⁽¹⁾	08/15/22	190,000	185,725
Peru LNG SRL				
5.38%	⁽⁸⁾	03/22/30	400,000	389,020
Pipeline Funding Co. LLC				
7.50%	⁽¹⁾	01/15/30	474,400	560,106
Plains All American Pipeline LP / PAA Finance Corp.				
4.65%		10/15/25	500,000	491,470
Rockies Express Pipeline LLC				
5.63%	⁽¹⁾	04/15/20	585,000	587,925

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6.00% ⁽¹⁾	01/15/19	95,000	95,021
Sabine Pass Liquefaction LLC			
5.75%	05/15/24	210,000	218,644
Sunoco Logistics Partners Operations LP			
5.40%	10/01/47	500,000	448,988

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

December 31, 2018

Issues	Maturity Date	Principal Amount	Value
Pipelines (Continued)			
Targa Resources Partners LP / Targa Resources Partners Finance Corp.			
5.88% ⁽¹⁾	04/15/26	\$ 54,000	\$ 52,515
Texas Eastern Transmission LP			
2.80% ⁽¹⁾	10/15/22	300,000	288,833
TransMontaigne Partners LP / TLP Finance Corp.			
6.13%	02/15/26	140,000	126,000
Williams Partners LP			
6.30%	04/15/40	400,000	422,934
			5,623,610
REIT 3.2%			
Alexandria Real Estate Equities, Inc.			
2.75%	01/15/20	1,000,000	992,435
American Campus Communities Operating Partnership LP			
3.75%	04/15/23	300,000	298,039
American Tower Corp.			
3.00%	06/15/23	435,000	418,954
Boston Properties LP			
2.75%	10/01/26	300,000	271,428
3.20%	01/15/25	290,000	276,975
CC Holdings GS V LLC / Crown Castle GS III Corp.			
3.85%	04/15/23	500,000	495,360
GLP Capital LP / GLP Financing II, Inc.			
5.30%	01/15/29	210,000	206,526
5.38%	04/15/26	721,000	714,879
HCP, Inc.			
4.25%	11/15/23	630,000	631,728
Healthcare Trust of America Holdings LP			
2.95%	07/01/22	710,000	691,747
Host Hotels & Resorts LP			
6.00%	10/01/21	400,000	420,063
MGM Growth Properties Operating Partnership LP / MGP Finance Co-Issuer, Inc.			
5.63%	05/01/24	135,000	134,156
Piedmont Operating Partnership LP			
3.40%	06/01/23	425,000	411,943
Ventas Realty LP / Ventas Capital Corp.			
2.70%	04/01/20	750,000	743,842
VEREIT Operating Partnership LP			
3.00%	02/06/19	280,000	279,904
WEA Finance LLC / Westfield UK & Europe Finance PLC			
2.70% ⁽¹⁾	09/17/19	650,000	646,683
Welltower, Inc.			
4.13%	04/01/19	1,000,000	1,000,512

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8,635,174

Issues	Maturity Date	Principal Amount	Value
Retail 1.1%			
1011778 BC ULC / New Red Finance, Inc. (Canada)			
4.25% ⁽¹⁾	05/15/24	\$ 230,000	\$ 212,175
Alimentation Couche-Tard, Inc.			
2.70% ⁽¹⁾	07/26/22	140,000	135,211
Cumberland Farms, Inc.			
6.75% ⁽¹⁾	05/01/25	175,000	176,531
Home Depot, Inc. (The)			
3.90%	12/06/28	155,000	158,539
KFC Holding Co. / Pizza Hut Holdings LLC / Taco Bell of America LLC			
4.75% ⁽¹⁾	06/01/27	80,000	74,600
5.00% ⁽¹⁾	06/01/24	50,000	48,375
Party City Holdings, Inc.			
6.63% ⁽¹⁾	08/01/26	205,000	187,063
Rite Aid Corp.			
6.13% ⁽¹⁾	04/01/23	484,000	384,175
Walgreens Boots Alliance, Inc.			
3.45%	06/01/26	755,000	711,513
4.80%	11/18/44	225,000	207,618
Walmart, Inc.			
3.55%	06/26/25	620,000	627,366
			2,923,166
Savings & Loans 0.1%			
Nationwide Building Society			
3.77% (3.766% until 3/08/23 then 3 mo. USD LIBOR + 1.064%) ⁽¹⁾⁽²⁾	03/08/24	275,000	264,922
Semiconductors 0.3%			
Broadcom Corp. / Broadcom Cayman Finance, Ltd.			
2.38%	01/15/20	575,000	567,942
NXP BV / NXP Funding LLC (Netherlands)			
4.13% ⁽¹⁾	06/01/21	200,000	198,000
			765,942
Software 0.2%			
Change Healthcare Holdings LLC / Change Healthcare Finance, Inc.			
5.75% ⁽¹⁾	03/01/25	82,000	76,670
First Data Corp.			
5.00% ⁽¹⁾	01/15/24	181,000	174,891
IMS Health, Inc.			
5.00% ⁽¹⁾	10/15/26	200,000	191,950
			443,511
Telecommunications 1.8%			
AT&T, Inc.			
4.35%	06/15/45	400,000	340,162
4.75%	05/15/46	675,000	601,499
5.25%	03/01/37	705,000	694,221

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

Schedule of Investments (Continued)

Issues	Maturity Date	Principal Amount	Value
Telecommunications (Continued)			
Intelsat Jackson Holdings SA (Luxembourg)			
5.50%	08/01/23	\$ 135,000	\$ 118,125
8.50% ⁽¹⁾	10/15/24	221,000	213,956
9.75% ⁽¹⁾	07/15/25	100,000	100,780
Level 3 Financing, Inc.			
5.13%	05/01/23	50,000	48,437
5.38%	05/01/25	315,000	295,116
SES GLOBAL Americas Holdings GP			
5.30% ⁽¹⁾	03/25/44	325,000	281,024
Sprint Capital Corp.			
6.88%	11/15/28	104,000	98,540
Sprint Corp.			
7.13%	06/15/24	20,000	19,857
7.63%	03/01/26	129,000	127,710
Sprint Spectrum Co. LLC / Sprint Spectrum Co. II LLC / Sprint Spectrum Co. III LLC			
4.74% ⁽¹⁾	09/20/29	565,000	555,819
T-Mobile USA, Inc.			
4.50%	02/01/26	113,000	105,090
4.75%	02/01/28	186,000	168,562
6.50%	01/15/24	71,000	72,775
Verizon Communications, Inc.			
4.13%	08/15/46	410,000	364,514
5.25%	03/16/37	420,000	438,801
Vodafone Group PLC (United Kingdom)			
4.38%	05/30/28	280,000	272,136
			4,917,124
Transportation 0.1%			
Union Pacific Corp.			
3.95%	09/10/28	280,000	280,735
Total Corporate Bonds			
(Cost: \$94,825,459)			92,500,491
MUNICIPAL BONDS 2.5%			
Alabama Economic Settlement Authority, Revenue Bond			
4.26%	09/15/32	705,000	721,560
City of New York, New York, Build America Bonds			
6.65%	12/01/31	1,000,000	1,065,300
Florida s Turnpike Enterprise, Build America Bonds			
6.80%	07/01/39	460,000	468,869
Metropolitan Water District of Southern California, Build America Bonds			
6.54%	07/01/39	500,000	509,325

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New York City Transitional Finance Authority Future Tax Secured Revenue, Revenue Bond			
5.01%	08/01/27	800,000	884,504
New York City Water and Sewer System, Build America Bonds			
6.49%	06/15/42	800,000	836,960
	Maturity Date	Principal Amount	Value
Issues			
MUNICIPAL BONDS (Continued)			
New York State Dormitory Authority, Revenue Bond			
5.29%	03/15/33	\$ 1,000,000	\$ 1,144,750
State of California, General Obligation			
7.95%	03/01/36	1,000,000	1,055,990
Total Municipal Bonds			
(Cost: \$7,111,745)			6,687,258
U.S. TREASURY SECURITIES 0.0%			
U.S. Treasury Note			
2.75%	09/30/20	15,000	15,059
Total U.S. Treasury Securities			
(Cost: \$15,020)			15,059
FOREIGN GOVERNMENT BONDS 1.1%			
Argentine Republic Government International Bond			
6.88%	04/22/21	150,000	135,975
Bahrain Government International Bond			
7.00% ⁽⁸⁾	10/12/28	300,000	300,750
Brazilian Government International Bond			
4.63%	01/13/28	200,000	193,040
Colombia Government International Bond			
4.50%	01/28/26	200,000	200,375
Dominican Republic International Bond			
6.60% ⁽⁸⁾	01/28/24	250,000	261,250
Mexico Government International Bond			
3.75%	01/11/28	400,000	374,450
Panama Government International Bond			
4.00%	09/22/24	250,000	251,925
Qatar Government International Bond			
4.50% ⁽⁸⁾	04/23/28	350,000	365,645
Saudi Government International Bond			
3.63% ⁽⁸⁾	03/04/28	300,000	284,454
South Africa Government Bond			
4.88%	04/14/26	350,000	333,865
Uruguay Government International Bond			
4.38%	10/27/27	200,000	201,300
Total Foreign Government Bonds			
(Cost: \$2,910,324)			2,903,029
Total Fixed Income Securities			
(Cost: \$266,142,337)			273,382,592
Shares			
MONEY MARKET INVESTMENTS 0.7%			
State Street Institutional U.S. Government Money Market Fund Premier Class, 2.27%⁽⁹⁾		1,833,055	1,833,055

Total Money Market Investments

(Cost: \$1,833,055)

1,833,055

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

December 31, 2018

Issues	Maturity Date	Principal Amount	Value
SHORT TERM INVESTMENTS 0.1%			
U.S. TREASURY SECURITIES 0.1%			
U.S. Treasury Bill			
2.38% ⁽¹⁰⁾⁽¹¹⁾	03/28/19	\$ 434,000	\$ 431,551
Total U.S. Treasury Securities			431,551
(Cost: \$432,149)			
Total Investments (102.2%)			275,647,198
(Cost: \$268,407,541)			
Liabilities In Excess Of Other Assets (-2.2%)			(6,052,771)
Net Assets (100.0%)			\$ 269,594,427

Futures

Number of Contracts	Type	Expiration Date	Notional Contract Value	Market Value	Net Unrealized Appreciation (Depreciation)
BUY					
32	S&P 500 E-Mini Index Futures	03/15/19	\$ 4,295,031	\$ 4,008,320	\$ (286,711)
49	5-Year U.S. Treasury Note Futures	03/29/19	5,548,427	5,619,687	71,260
			\$ 9,843,458	\$ 9,628,007	\$ (215,451)
SELL					
83	10-Year U.S. Treasury Note Futures	03/20/19	\$ (10,494,532)	\$ (10,796,484)	\$ (301,952)
30	U.S. Ultra Long Bond Futures	03/20/19	(4,566,261)	(4,819,688)	(253,427)
			\$ (15,060,793)	\$ (15,616,172)	\$ (555,379)

Centrally Cleared -Interest Rate Swap Agreements

Notional Amount	Expiration Date	Payment Frequency	Payment Made by Fund	Payment Received by Fund	Unrealized Appreciation (Depreciation)	Premium Paid	Value
6,180,000 ⁽¹²⁾	11/21/24	Quarterly	3.0818%	3 Month USD LIBOR	\$ (145,321)	\$	\$ (145,321)
15,025,000 ⁽¹²⁾	11/21/21	Quarterly	3 Month USD LIBOR	3.0708%	155,836		155,836
					\$ 10,515	\$	\$ 10,515

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

Schedule of Investments (Continued)

Notes to Schedule of Investments:

- (1) 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 December 31, 2018, the value of these securities amounted to \$69,812,477 or 25.9% 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 December 31, 2018.
- (3) For fair value measurement disclosure purposes, security is categorized as Level 3.
- (4) Variable rate security. Interest rate disclosed is as of the most recent information available. Certain variable rate securities are not based on a published reference rate and spread but are determined by the issuer or agent and are based on current market conditions. These securities do not indicate a reference rate and spread in their description above.
- (5) Security is not accruing interest.
- (6) Restricted security (Note 9).
- (7) A portion of the principal balance has been written-off during the period due to defaults in the underlying loans. Cost basis has been adjusted.
- (8) Investments issued under Regulation S of the Securities Act of 1933, as amended, may not be offered, sold, or delivered within the United States except under special exemptions. At December 31, 2018, the value of these securities amounted to \$2,230,439 or 0.8% of net assets.
- (9) Rate disclosed is the 7-day net yield as of December 31, 2018.
- (10) Rate shown represents yield-to-maturity.
- (11) All or a portion of this security is held as collateral for open futures contracts.
- (12) This instrument has a forward starting effective date. See Note 3, Portfolio Investments in the Notes to Financial Statements for further information.

ABS - Asset-Backed Securities.

ACES - Alternative Credit Enhancement Securities.

CLO - Collateralized Loan 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.

PAC - Planned Amortization Class.

TAC - Target Amortization Class.

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

Investments by Industry

December 31, 2018

Industry	Percentage of Net Assets
Residential Mortgage-Backed Securities Non-Agency	42.6%
Asset-Backed Securities	12.6
Banks	9.1
Commercial Mortgage-Backed Securities Agency	4.3
Commercial Mortgage-Backed Securities Non-Agency	3.2
REIT	3.2
Municipal Bonds	2.5
Pipelines	2.1
Pharmaceuticals	1.9
Telecommunications	1.8
Healthcare-Services	1.5
Food	1.3
Foreign Government Bonds	1.1
Media	1.1
Retail	1.1
Auto Manufacturers	1.0
Diversified Financial Services	1.0
Oil & Gas	1.0
Miscellaneous Manufacturers	0.9
Packaging & Containers	0.9
Residential Mortgage-Backed Securities Agency	0.8
Insurance	0.7
Airlines	0.6
Aerospace/Defense	0.5
Biotechnology	0.5
Electric	0.5
Beverages	0.3
Commercial Services	0.3
Engineering & Construction	0.3
Forest Products & Paper	0.3
Healthcare-Products	0.3
Mining	0.3
Semiconductors	0.3
Agriculture	0.2
Chemicals	0.2
Environmental Control	0.2
Household Products/Wares	0.2
Software	0.2
Computers	0.1
Entertainment	0.1
Oil & Gas Services	0.1
Savings & Loans	0.1
Transportation	0.1
Advertising	0.0*
Cosmetics/Personal Care	0.0*
Internet	0.0*
Machinery-Diversified	0.0*
U.S. Treasury Securities	0.0*
Money Market Investments	0.7
Short-Term Investments	0.1

Total	102.2%
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* Value rounds to less than 0.1% of net assets.

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

Fair Valuation Summary

December 31, 2018

The following is a summary of the fair valuations according to the inputs used as of December 31, 2018 in valuing the Fund's investments:

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Fixed Income Securities				
Asset-Backed Securities	\$	\$ 33,539,307	\$ 400,385	\$ 33,939,692
Mortgage-Backed Securities				
Commercial Mortgage-Backed Securities Agency		11,531,584		11,531,584
Commercial Mortgage-Backed Securities Non-Agency		8,633,239		8,633,239
Residential Mortgage-Backed Securities Agency		2,244,976		2,244,976
Residential Mortgage-Backed Securities Non-Agency		109,910,940	5,016,324	114,927,264
Total Mortgage-Backed Securities		132,320,739	5,016,324	137,337,063
Corporate Bonds*		92,500,491		92,500,491
Municipal Bonds		6,687,258		6,687,258
U.S. Treasury Securities	15,059			15,059
Foreign Government Bonds		2,903,029		2,903,029
Total Fixed Income Securities	15,059	267,950,824	5,416,709	273,382,592
Money Market Investments	1,833,055			1,833,055
Short-Term Investments	431,551			431,551
Total Investments	2,279,665	267,950,824	5,416,709	275,647,198
Asset Derivatives				
Futures				
Interest Rate Risk	71,260			71,260
Swap Agreements				
Interest Rate Risk		155,836		155,836
Total	\$ 2,350,925	\$ 268,106,660	\$ 5,416,709	\$ 275,874,294
Liability Derivatives				
Futures				
Equity Risk	\$ (286,711)	\$	\$	\$ (286,711)
Interest Rate Risk	(555,379)			(555,379)
Swap Agreements				
Interest Rate Risk		(145,321)		(145,321)
Total	\$ (842,090)	\$ (145,321)	\$	\$ (987,411)

* *See Schedule of Investments for corresponding industries.*

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

Statement of Assets and Liabilities

December 31, 2018

ASSETS:	
Investments, at Value (Cost: \$268,407,541)	\$ 275,647,198
Cash	6,521
Interest Receivable	2,037,533
Cash Collateral Held for Broker for Swaps	52,284
Receivable for Variation Margin on Open Futures Contracts to Broker	21,976
Prepaid Expenses	21,762
 Total Assets	 277,787,274
LIABILITIES:	
Distributions Payable	7,582,226
Payables for Securities Purchased	275,448
Accrued Other Expenses	151,168
Accrued Investment Advisory Fees	138,334
Commitment Fee Payable on Open Line of Credit	26,043
Accrued Directors Fees and Expenses	16,607
Payable for Variation Margin on Centrally Cleared Interest Rate Swap Agreements to Broker	3,021
 Total Liabilities	 8,192,847
 NET ASSETS	 \$ 269,594,427
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	268,963,511
Accumulated Earnings (Loss)	154,046
 NET ASSETS	 \$ 269,594,427
 NET ASSET VALUE PER SHARE	 \$ 5.65
 MARKET PRICE PER SHARE	 \$ 5.27

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

Statement of Operations

Year Ended December 31, 2018

INVESTMENT INCOME:

Income

Interest (net of foreign withholding taxes of \$92)	\$ 16,666,843
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Total Investment Income	16,666,843
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Expenses

Investment Advisory Fees	1,648,824
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Audit and Tax Service Fees	139,457
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Directors Fees and Expenses	99,633
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Commitment Fee on Open Line of Credit	62,590
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Legal Fees	61,782
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Transfer Agent Fees	52,133
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Insurance Expense	51,299
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Listing Fees	48,879
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Proxy Expense	47,199
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Printing and Distribution Costs	35,084
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Accounting Fees	27,648
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Custodian Fees	20,295
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Administration Fees	17,943
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Miscellaneous Expense	11,349
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Total Expenses	2,324,115
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Net Investment Income	14,342,728
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NET REALIZED GAIN (LOSS) AND CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION) ON INVESTMENTS, FUTURES CONTRACTS, SWAP AGREEMENTS AND FOREIGN CURRENCY:

Net Realized Gain (Loss) on:

Investments	507,587
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Foreign Currency	(5,834)
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Foreign Currency Forward Contracts	(101,401)
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Futures Contracts	719,781
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Swap Agreements	(298)
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Change in Unrealized Appreciation (Depreciation) on:

Investments	(9,275,175)
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Foreign Currency Forward Contracts	(26,770)
------------------------------------	----------

Futures Contracts	(837,468)
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Swap Agreements	10,515
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Net Realized Gain (Loss) and Change in Unrealized Appreciation (Depreciation) on Investments, Futures Contracts, Swap Agreements and Foreign Currency	(9,009,063)
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INCREASE IN NET ASSETS FROM OPERATIONS	\$ 5,333,665
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See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

Statements of Changes in Net Assets

	Year Ended December 31, 2018	Year Ended December 31, 2017
OPERATIONS:		
Net Investment Income	\$ 14,342,728	\$ 12,677,890
Net Realized Gain on Investments, Futures Contracts, Swaps Agreements and Foreign Currency	1,119,835	1,921,313
Change in Unrealized Appreciation (Depreciation) on Investments, Futures Contracts and Swaps Agreements	(10,128,898)	5,300,255
Increase in Net Assets Resulting from Operations	5,333,665	19,899,458
DISTRIBUTIONS TO SHAREHOLDERS: ⁽¹⁾		
Distributions to Shareholders	(17,772,928)	(14,997,549)
Total Increase (Decrease) in Net Assets	(12,439,263)	4,901,909
NET ASSETS:		
Beginning of Year	282,033,690	277,131,781
End of Year	\$ 269,594,427	\$ 282,033,690

(1) For the year ended December 31, 2017, the Fund distributed to shareholders \$13,423,879 from net investment income and \$1,573,670 from net realized gains. The Securities Exchange Commission eliminated the requirement to disclose distributions to shareholders from each component in 2018.

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

Notes to Financial Statements

December 31, 2018

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). Its shares are 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, and it seeks to achieve its investment objective by investing in a wide range of securities including 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 LLC (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 prices. Securities traded on the NASDAQ stock market (NASDAQ) are valued using the official closing prices as reported by NASDAQ, which may not be the last sale price. Other securities, including short-term investments, swap agreements and forward currency contracts, which are traded over-the-counter (OTC), are valued at the mean of the current bid and asked prices as furnished by independent pricing services or by dealer quotations. Futures contracts are valued at the official settlement prices of the exchanges on which they are traded.

Securities for which market quotations are not readily available, including as a result of circumstances under which it is determined by the Advisor that prices received are not reflective of their market values, are valued by the Advisor's Pricing Committee in accordance with the guidelines established by the Valuation Committee of the Board of Directors of the Fund (the Board) and under the general oversight of the Board.

Fair value is defined as the price that the 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

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value measurement broadly based on inputs 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 inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

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Note 2 Significant Accounting Policies (Continued)

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 methodologies 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 is determined based on the lowest level input that is significant to the fair value measurement.

Fair Value Measurements: Descriptions of the valuation techniques applied to the Fund's major categories of assets and liabilities on a recurring basis are as follows:

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Asset-backed securities (ABS) and mortgage-backed securities (MBS). The fair value of ABS and MBS is estimated based on pricing 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.

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,

TCW Strategic Income Fund, Inc.

Notes to Financial Statements (Continued)

Note 2 Significant Accounting Policies (Continued)

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 (NAV), 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 want 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 are categorized in Level 2; otherwise, the fair values are 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 are 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 summary of the inputs used as of December 31, 2018 is listed after the Investments by Sector or Industry table.

The Fund did not have any transfers in and out of Level 1 and Level 2 of the fair value hierarchy during the year ended December 31, 2018.

The following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining value:

Asset- Backed Securities	Commercial Mortgage-Backed Securities	Residential Mortgage-Backed Securities	Total
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		Non-Agency	Non-Agency	
Balance as of December 31, 2017	\$ 473,172	\$ 4,070,594	\$ 3,906,290	\$ 8,450,056
Accrued Discounts (Premiums)		(152,069)	(693,130)	(845,199)
Realized Gain (Loss)		(438,155)		(438,155)
Change in Unrealized Appreciation (Depreciation)	(72,787)	(545,658)	(195,994)	(814,439)
Purchases		269,691	1,999,158	2,268,849
Sales		(543,843)		(543,843)
Transfers in to Level 3 ⁽¹⁾				
Transfers out of Level 3 ⁽¹⁾		(2,660,560)		(2,660,560)
Balance as of December 31, 2018	\$ 400,385	\$	\$ 5,016,324	\$ 5,416,709
Change in Unrealized Appreciation (Depreciation) from Investments Still Held at December 31, 2018	\$ (72,787)	\$	\$ (195,944)	\$ (268,731)

(1) The Fund recognizes transfers in and out at the beginning of the period.

(2) Financial assets transferred between Level 2 and Level 3 were due to a change in observable and/or unobservable inputs.

TCW Strategic Income Fund, Inc.

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Note 2 Significant Accounting Policies (Continued)

Significant unobservable valuation inputs of Level 3 investments as of December 31, 2018 were as follows:

Description	Fair Value at December 31, 2018	Valuation Techniques*	Unobservable Input	Price or Price Range	Weighted Average Price
Asset-Backed Securities	\$ 400,385	Third-party Broker	Broker Quotes	\$29.00 to \$33.00	\$30.623
Residential Mortgage-Backed Securities Non-Agency (Interest Only Collateral Strip Rate Securities)	1,202,929	Third-party Vendor	Vendor Prices	\$0.28 to \$2.58	\$1.093
Residential Mortgage-Backed Securities Non-Agency (Interest Only Securities)	3,813,395	Third-party Vendor	Vendor Prices	\$2.73 to \$15.95	\$6.307

* The valuation technique employed on the Level 3 securities involves the use of third-party broker quotes and vendor prices. The Advisor monitors the effectiveness of third-party brokers and vendor prices using the Advisor's own model and inputs.

Security Transactions and Related Investment Income: Security transactions are recorded as of the trade date. Dividend income is recorded on the ex-dividend date. Interest income is recognized on an accrual basis. Realized gains and losses on investments are recorded on the basis of specific identification.

Foreign Currency Translation: The books and records of the Fund are maintained in U.S. dollars as follows: (1) the foreign currency denominated 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) in the Statement of Operations. 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 U.S. federal income tax purposes.

Distributions: Distributions to shareholders are recorded on each ex-dividend date. The Fund declared and paid or reinvested dividends quarterly under an income-based distribution policy. The income-based distribution policy has a stated goal of providing quarterly distributions out of the Fund's accumulated undistributed net investment income and/or other sources subject to the requirements of the 1940 Act and Sub-chapter M of the Internal Revenue Code (the Code). The source for the dividend can come 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, U.S. 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 on structured debt, losses deferred due to wash sales,

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foreign currency gains and losses, 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.

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.

TCW Strategic Income Fund, Inc.

Notes to Financial Statements (Continued)

Note 2 Significant Accounting Policies (Continued)

For the year ended December 31, 2018, the Fund had derivatives and transactions in derivatives, grouped in the following risk categories (amounts in thousands except notional amounts or number of contracts):

	Equity Risk	Foreign Currency Risk	Interest Rate Risk	Total
Asset Derivatives				
Futures Contracts ⁽¹⁾	\$	\$	\$ 71,260	\$ 71,260
Swaps Agreements ⁽²⁾			155,836	155,836
Total Value	\$	\$	\$ 227,096	\$ 227,096
Liability Derivatives				
Futures Contracts ⁽¹⁾	\$ (286,711)	\$	\$ (555,379)	\$ (842,090)
Swaps Agreements ⁽²⁾			(145,321)	(145,321)
Total Value	\$ (286,711)	\$	\$ (700,700)	\$ (987,411)
Statement of Operations:				
Realized Gain (Loss)				
Forward Contracts	\$	\$ (101,401)	\$	\$ (101,401)
Futures Contracts	(3,006)		722,787	719,781
Swaps Agreements			(298)	(298)
Total Realized Gain (Loss)	\$ (3,006)	\$ (101,401)	\$ 722,489	\$ 618,082
Change in Appreciation (Depreciation)				
Forward Contracts	\$	\$ (26,770)	\$	\$ (26,770)
Futures Contracts	(299,850)		(537,618)	(837,468)
Swaps Agreements			10,515	10,515
Total Change in Appreciation (Depreciation)	\$ (299,850)	\$ (26,770)	\$ (527,103)	\$ (853,723)
Number of Contracts or Notional Amounts ⁽³⁾				
Forward Contracts	\$	\$5,579,261	\$	\$5,579,261
Swaps Agreements	\$	\$	\$21,205,000	\$21,205,000
Futures Contracts	32		111	143

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- (1) Represents appreciation (depreciation) of futures contracts as reported in the Schedule of Investments as of December 31, 2018. Only the variation margin is reported within the Statement of Assets and Liabilities.*
- (2) Represents appreciation (depreciation) on swap agreements as reported in the Schedule of Investments as of December 31, 2018. Only the variation margin is reported within the Statement of Assets and Liabilities.*
- (3) Amount disclosed represents average number of contracts or notional amounts, which are representative of the volume traded for the year ended December 31, 2018.*

Counterparty Credit Risk: Derivative contracts may expose the Fund to counterparty risk. Losses can occur if the counterparty does not perform under the contract.

With exchange traded futures and centrally cleared swaps, there is less counterparty credit risk to the Fund since the exchange or clearinghouse, as counterparty to such instruments, guarantees against a possible default. The clearinghouse stands between the buyer and the seller of the contract; therefore, the counterparty credit risk is limited to failure of the clearinghouse. While offset rights may exist under applicable law, the Fund does not have a contractual right of offset against a clearing broker or clearinghouse in the event of a default (including the bankruptcy or insolvency) of the clearing broker or clearinghouse. Additionally, credit risk exists in exchange traded futures and centrally cleared swaps with respect to initial and variation margin that is held in a clearing broker's customer accounts. While clearing brokers are required to segregate customer margin from their own assets, in the event that a clearing broker becomes insolvent or goes into bankruptcy and at that time there is a shortfall in the aggregate

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Note 2 Significant Accounting Policies (Continued)

amount of margin held by the clearing broker for all its clients, typically the shortfall would be allocated on a pro rata basis across all the clearing broker's customers, potentially resulting in losses to the Fund.

The Fund's risk of loss from counterparty credit risk on OTC derivatives is generally limited to the aggregate unrealized gain netted against any collateral held by the Fund. For OTC derivatives, the Fund entered into an International Swaps and Derivatives Association, Inc. Master Agreement (ISDA Master Agreement) with each counterparty. An ISDA Master Agreement is a bilateral agreement between the Fund and a counterparty that governs OTC derivatives and typically contains, among other things, collateral posting terms and netting provisions in the event of a default and/or termination event. Under an ISDA Master Agreement, the Fund may, under certain circumstances, offset with the counterparty certain derivative financial instruments' payables and/or receivables with collateral held and/or posted and create one single net payment. The provisions of the ISDA Master Agreement typically permit a single net payment in the event of default including the bankruptcy or insolvency of the counterparty. However, bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against the right of offset in bankruptcy, insolvency or other events. In addition, certain ISDA Master Agreements allow counterparties to OTC derivatives to terminate derivative contracts prior to maturity in the event the Fund's net assets decline by a stated percentage or the Fund fails to meet the terms of its ISDA Master Agreements, which would cause the Fund to accelerate payment of any net liability owed to the counterparty.

Collateral Requirements: For derivatives traded under an ISDA Master Agreement, the collateral requirements are typically calculated by netting the mark to market amount for each transaction under such agreement and comparing that amount to the value of any collateral pledged or received by the Fund.

Cash collateral that has been pledged to cover obligations of the Fund is reported separately on the Statement of Assets and Liabilities. Non-cash collateral pledged by the Fund, if any, is noted in the Schedule of Investments. Generally, the amount of collateral due from or to a party has to exceed a minimum transfer amount threshold, typically \$250,000 or \$500,000, before a transfer is required, which is determined at the close of each business day and the collateral is transferred on the next business day. To the extent amounts due to the Fund from its counterparties are not fully collateralized, contractually or otherwise, the Fund bears the risk of loss from counterparty non-performance. The Fund attempts to mitigate counterparty risk by entering into agreements only with counterparties that the Advisor believes have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties. For financial reporting purposes, the Fund does not offset derivative assets and derivative liabilities that are subject to netting arrangements in the Statement of Assets and Liabilities. The Fund has implemented the disclosure requirements pursuant to FASB ASU No. 2013-01, Disclosures about Offsetting Assets and Liabilities that requires disclosures to make financial statements that are prepared under GAAP more comparable to those prepared under International Financial Reporting Standards.

The Fund had no OTC derivatives for offset under an ISDA Master Agreement as of December 31, 2018.

Note 3 Portfolio Investments

Forward Foreign Currency Contracts: The Fund enters into forward foreign currency contracts as a hedge against fluctuations in foreign exchange rates. Forward foreign currency contracts are marked to market daily and the change in market value is recorded by the Fund as unrealized gains or losses in the Statement of Assets and Liabilities. When a contract is closed or delivery is taken, 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

TCW Strategic Income Fund, Inc.

Notes to Financial Statements (Continued)

Note 3 Portfolio Investments (Continued)

time it was closed. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of the foreign currency relative to the U.S. dollar. There were no outstanding foreign currency forward contracts as of December 31, 2018.

Futures Contracts: The Fund seeks to manage a variety of different risks or obtain exposure through the use of futures contracts. 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. 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. During the year ended December 31, 2018, the Fund used S&P 500 Index futures to gain exposure to the equity market. The Fund also utilized treasury futures and other bond futures to help manage interest rate duration and credit market exposure. Futures contracts outstanding at December 31, 2018 are listed in the Fund's Schedule of Investments.

Swap Agreements: The Fund may enter into swap agreements. Swap agreements are typically two-party contracts entered into primarily by institutional investors. In a standard swap transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realized on particular predetermined investments or instruments, which may be adjusted for an interest factor. The gross returns to be exchanged or swapped between the parties are generally calculated with respect to a notional amount (i.e., the return on or increase in value of a particular dollar amount invested at a particular interest rate or in a basket of securities representing a particular index).

Interest rate swaps are agreements in which one party pays a floating rate of interest on a notional principal amount and receives a fixed rate of interest on the same notional principal amount for a specified period of time. Alternatively, a party may pay a fixed rate and receive a floating rate. In more complex swaps, the notional principal amount may decline (or amortize) over time. The Fund's maximum risk of loss due to counterparty default is the discounted NAV of the cash flows paid to/received from the counterparty over the interest rate swap's remaining life.

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Note 3 Portfolio Investments (Continued)

During the term of a swap transaction, changes in the value of the swap are recognized as unrealized gains or losses by marking to market to reflect the market value of the swap. When the swap is terminated, the Fund will record a realized gain or loss equal to the difference, if any, between the proceeds from (or cost of) the closing transaction and the Fund's basis in the agreement. Upfront swap premium payments paid or received by the Fund, if any, are recorded within the value of the open swap agreement on the Fund's Statement of Assets and Liabilities and represent payments paid or received upon entering into the swap agreement to compensate for differences between stated terms of the swap agreement and prevailing market conditions (credit spreads, currency exchange rates, and other relevant factors). These upfront payments are recorded as realized gain or loss on the Fund's Statement of Operations upon termination or maturity of the swap agreement.

During the term of a swap transaction, the periodic net payments can be made for a set period of time or may be triggered by a predetermined credit event. The net periodic payments may be based on a fixed or variable interest rate, the change in market value of a specified security, basket of securities or index, or the return generated by a security. These periodic payments received or made by the Fund are recorded as realized gains and losses, respectively. During the year ended December 31, 2018, the Fund entered into interest rate swaps to manage duration, the yield curve or interest rate risk by economically hedging the value of the fixed-rate bonds which may decrease when interest rates rise (interest rate risk). Swap agreements outstanding at December 31, 2018 are listed in the Fund's Schedule of Investments.

Mortgage-Backed and Other Asset-Backed Securities: The Fund may invest in mortgage pass-through securities, which represent interests in pools of mortgages. 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 that 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 by the Government National Mortgage Association (Ginnie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac) Federal National Mortgage Corporation (Fannie Mae). The issuer of a series of CMOs may elect to be treated for tax purposes as a Real Estate Mortgage Investment Conduit. 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 MBS. Stripped MBS 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 prepayments (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

TCW Strategic Income Fund, Inc.

Notes to Financial Statements (Continued)

Note 3 Portfolio Investments (Continued)

prepayments of principal, the Fund may not fully recoup its initial investment in IOs. Mortgage-backed and other asset-backed securities held by the Fund at December 31, 2018 are listed in the Fund's Schedule of Investment.

Repurchase Agreements: The Fund may enter into repurchase agreements under the terms of a Master Repurchase Agreement (MRA). In a repurchase agreement transaction, the Fund will purchase a security from a counterparty who agrees to repurchase the same security at a mutually agreed upon date and price. The MRA permits the Fund, under certain circumstances, including an event of default (such as bankruptcy or insolvency), to offset payables and/or receivables under the MRA with collateral held and/or posted to the counterparty and create one single net payment due to or from the Fund. However, bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against such a right of offset in the event of the MRA counterparty's bankruptcy or insolvency. Pursuant to the terms of the MRA, the Fund receives securities as collateral with a market value in excess of the repurchase price. Upon a bankruptcy or insolvency of the MRA counterparty, the Fund recognizes a liability with respect to such excess collateral to reflect the Fund's obligation under bankruptcy law to return the excess to the counterparty. The Fund had no repurchase agreements outstanding at December 31, 2018.

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 to adjust the interest rate exposure of the Fund's existing portfolio. In when-issued, delayed-delivery, or forward commitment transactions, the Fund commits to purchase particular securities, with payment and delivery to take place at a future date. Although the 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 the 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. 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 guard against this deemed leverage, the Fund monitors the obligations under these transactions and ensures that the Fund has sufficient liquid assets to cover them.

Security Lending: The Fund may lend its securities to qualified brokers. The loans must be collateralized at all times primarily with cash although the Fund can accept money market instruments or U.S. government securities with a market value at least equal to the market value of the securities on loan. As with any extensions of credit, the Fund may bear the risk of delay in recovery or even loss of rights in the collateral if the borrowers of the securities fail financially. The Fund earns additional income for lending its securities by investing the cash collateral in short-term investments. The Fund did not lend any securities during the year ended December 31, 2018.

Use of Estimates: The preparation of the accompanying financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses

during the reporting period. Actual results could differ from these estimates.

TCW Strategic Income Fund, Inc.

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Note 4 Risk Considerations

Market Risk: The Fund's investments will fluctuate with market conditions, and so will the value of your investment in the Fund. You could lose money on your investment in the Fund or the Fund could underperform other investments.

Liquidity Risk: The Fund's investments in illiquid securities may reduce the returns of the Fund because it may not be able to sell the illiquid securities at an advantageous time or price. Investments in high yield securities, foreign securities, derivatives or other securities with substantial market and/or credit risk tend to have the greatest exposure to liquidity risk. Certain investments in private placements and Rule 144A securities may be considered illiquid investments. The Fund may invest in private placements and Rule 144A securities.

Interest Rate Risk: The values of the Fund's investments fluctuate in response to movements in interest rates. If rates rise, the values of debt securities generally fall. The longer the average duration of a Fund's investment portfolio, the greater the change in value.

Mortgage-Backed and Other Asset-Backed Securities Risk: The Fund may invest in MBS or other ABS. The values of some mortgage-backed securities or other asset backed securities may expose the Fund to a lower rate of return upon reinvestment of principal. When interest rates rise, the value of mortgage-related securities generally will decline; however, when interest rates are declining, the value of mortgage related-securities with prepayment features may not increase as much as other fixed-income securities. The rate of prepayments on underlying mortgages will affect the price and volatility of a mortgage related security, and may shorten or extend the effective maturity of the security beyond what was anticipated at the time of purchase. The value of these securities may fluctuate in response to the market's perception of the creditworthiness of the issuers. Additionally, although mortgages and mortgage-related securities are generally supported by some form of government or private guarantee and/or insurance, there is no assurance that private guarantors or insurers will meet their obligations.

Derivatives Risk: Use of derivatives, which at times is an important part of the Fund's investment strategy, involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Investments in derivatives could cause the Fund to lose more than the principal amount invested. Also, suitable derivative transactions may not be available in all circumstances and there can be no assurance that the Fund will achieve its objective with these transactions to reduce exposure to other risks when that would be beneficial.

Credit Risk: The values of any of the Fund's investments may also decline in response to events affecting the issuer or its credit rating. The lower rated debt securities in which the Fund may invest are considered speculative and are subject to greater volatility and risk of loss than investment-grade securities, particularly in deteriorating economic conditions. The value of some mortgage-related securities in which the Fund invests also may fall because of unanticipated levels of principal prepayments that can occur when interest rates decline. The Fund invests a material portion of its assets in securities of issuers that hold mortgage- and asset-backed securities and direct investments in securities backed by commercial and residential mortgage loans and other financial assets. The value and related income of these securities are sensitive to

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changes in economic conditions, including delinquencies and/or defaults. Continuing shifts in the market's perception of credit quality on securities backed by commercial and residential mortgage loans and other financial assets may result in increased volatility of market prices and periods of illiquidity, which negatively impact the valuation of certain issuers held by the Fund.

MBS and ABS are characterized and classified in a variety of different ways. These classifications include a view of the securities' cash flow structure (pass through, sequential pay, prepayment-protected, interest only, principal-only, etc.), the security of the claim on the underlying assets (senior, mezzanine and

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Notes to Financial Statements (Continued)

Note 4 Risk Considerations (Continued)

subordinated), as well as types of underlying collateral (prime conforming loans, prime non-conforming loans, Alt-A loans, subprime loans, commercial loans, etc.). In many cases, the classification incorporates a degree of subjectivity a particular loan might be categorized as prime by the underwriting standards of one mortgage issuer while another might classify the loan as subprime. The level of risk associated with an investment in a mortgage loan can be impacted by, among other factors, the nature of the collateral, the form and the level of credit enhancement, the vintage of the loan, the geography of the loan, the purpose of the loan (e.g. refinance versus purchase versus equity take-out), the borrower's credit quality (e.g., FICO score), and whether the loan is a first trust deed or a second lien.

Counterparty Risk: The Fund may be exposed to counterparty risk, or the risk that an entity with which the Fund has unsettled or open transactions may not fulfill its obligations.

Note 5 Federal Income Taxes

It is the policy of the Fund to comply with the requirements of the 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.

The following table shows character of distributed and undistributed amounts on a tax basis.

	Amount Distributed During the Year		Undistributed Amount at Year End	
	Year Ended December 31, 2018	Year Ended December 31, 2017	December 31, 2018	December 31, 2017
Ordinary Income	\$ 17,346,285	\$ 13,423,879	\$ 10,517	\$
Capital Gain	426,643	1,573,670		258,408

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