

TCW STRATEGIC INCOME FUND INC
Form N-CSR
February 27, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number: 811-4980

TCW Strategic Income Fund, Inc.

(Exact name of registrant as specified in charter)

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

(Address of principal executive offices)

Patrick W. Dennis, Esq.

Assistant Secretary

865 South Figueroa Street, Suite 1800

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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, 2012

Item 1. Report to Stockholders.

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The President's Letter

Dear Shareholder,

We are pleased to present the 2012 annual report of the TCW Strategic Income Fund (TSI or the Fund). TSI is a multi-asset class closed-end fund managed by TCW Investment Management Company and is listed on the New York Stock Exchange. Though it cannot be guaranteed, the Fund's current distribution policy is to pay 7% annually based on the previous year-end net asset value (NAV). For the year ended December 31, 2012, the Fund's return on market price was 22.20% versus the custom benchmark return of 10.28%. On a NAV basis, the Fund returned 24.95%, better than the market price return as the market price to NAV discount increased from 1.8% to 4.3% during the year. Dividends distributed were \$0.0865 per share each quarter and a special year-end distribution of \$0.20 per share.

Fund Performance

Performance was strong in 2012 and has remained double-digit positive for all of the past five years annualized (including the 2008-2009 financial-crisis period):

	Annualized Total Return					
	1 Year	3 Years	5 Years	10 Years	Since 3/1/06 ⁽²⁾	Since 3/5/87 ⁽³⁾
Price Based Returns	22.20%	22.01%	22.31%	13.10%	14.02%	8.68%
NAV Based Returns	24.95%	19.52%	18.66%	11.55%	12.01%	9.13%
Benchmark Returns ⁽¹⁾	10.28%	8.75%	6.35%	7.28%	6.48%	N/A

(1) Custom Benchmark Index: 15% S&P 500 with Income, 15% Merrill Lynch Convertible Index, 45% Barclays U.S. 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 Fund 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 managed 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.

Over the course of the past year, the U.S. economy has continued to exhibit subpar growth, high unemployment, well contained inflation metrics, and utterly unsustainable federal budget deficits. Consequently, the Federal Reserve Bank (the Fed) has continued its zero rate policy and doubled down on its quantitative easing (QE) programs. These market friendly Fed actions were accretive to the returns of risk oriented asset classes, including non-agency mortgage-backed securities (MBS), high yield, investment grade corporates, and emerging market securities. Conversely, these policies have remained detrimental to cash and treasuries, both of which have suffered from negative real yields. We do not expect any meaningful changes to Fed policy for at least the first half of 2013. As value based investors, TCW has maintained a defensive (short the benchmark) stance on duration and generally over-weighted the risk based asset classes referenced earlier. The table on the next page presents the market value exposures of the Fund across a number of sectors as of December 31, 2012:

The President's Letter (Continued)

Sector	Value	% of Total
Residential MBS - Non-Agency	\$ 151,766,647	47.8%
Asset-backed Securities	54,233,850	17.1%
Residential MBS - Agency	20,470,501	6.5%
Corporate Bonds	46,332,236	14.6%
Bank Loans	5,351,138	1.7%
Municipal Bonds	3,362,538	1.1%
Commercial MBS	2,256,742	0.7%
Convertible Preferred Stocks	1,437,505	0.5%
Common Stocks	996,750	0.3%
Cash and Cash Equivalents	1,423,382	0.4%
S&P 500 Futures (in Notional Value)	26,626,875	8.4%
U.S. Treasury Futures (in Notional Value)	2,920,875	0.9%
Total	\$ 317,179,039	100.0%

The Fund is diversified across both equity and fixed income asset classes, with the continued emphasis on residential MBS representing over 54% of the overall exposure. Non-agency MBS, which are issued by private label (non-guaranteed) originators, make up the majority of this position, while the remainder is comprised of agency MBS, which are securitized by Government Sponsored Enterprises (GSEs). Probably the most resounding performer among equity and fixed income alike was the non-agency MBS market, which climbed 20% to 30% as continuing fundamental improvement to the primary driver of the 2008 financial crisis met with vigorous demand to push prices substantially higher. Agency MBS experienced a strong run up in the immediate wake of September's QE, finishing the year at 2.6%. Returns across lower coupon agency MBS, the target of the Fed's QE buying program, ranged from 4% to 5%, netting a premium of more than 1% to the MBS component of the Index.

Other securitized exposure includes asset-backed securities (ABS) and commercial MBS (CMBS), both of which rewarded positive performance as spreads narrowed. An increasing allocation to high quality ABS provided an incremental yield advantage and the Fund favors more off-the-run collateral types such as securitized shipping containers and next generation aircraft, which provide better valuations and return profiles. CMBS exposure is focused on the top of the capital structure, in super senior issues with 30%+ credit enhancement and better underlying collateral structures.

Corporate bond exposure is predicated on strong credit analysis and research to identify undervalued investment opportunities. Current positioning favors financials including large money center banks which are attractive on both a fundamental and relative basis. Despite downgrades in June of large financial institutions by Moody's, the fundamentals for large U.S. and certain global financial institutions remain strong, making them attractive. Although new regulations may be a drag on earnings growth, they are likely to reduce earnings volatility as well, which is a significant positive for creditors.

The Fund allocation to the equity market was reduced over the year to capture gains in the market. TSI re-introduced exposure to the equity markets over two years ago, and additional allocations are made through dollar cost averaging at multiple price points. The positioning of the equity exposure is via the S&P 500 Index futures contracts which represent the Fund's exposure to the equity market a little over 8%, versus 13% a year ago.

Leverage is utilized by the Fund through a line-of-credit facility of which \$9.1 million was drawn as of December 31, 2012, at a current annual interest rate of 1.42%. Total amount available through the line is \$70 million. The use of leverage has been accretive to returns in recent years owing to the general lowering of market rates. However, the use of leverage may not always be a positive. For example, should rates rise or credit or mortgage spreads widen, management's expectation is that the NAV of the Fund could be adversely impacted.

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

Sincerely,

Charles W. Baldiswieler

President and Chief Executive Officer

TCW Strategic Income Fund, Inc.

Schedule of Investments

Principal Amount	Fixed Income Securities	Value
	Asset-Backed Securities (20.3% of Net Assets)	
\$ 1,023,878	Aircastle Pass-Through Trust, (07-1A-G1), (144A), 0.523%, due 06/14/37 ⁽¹⁾⁽²⁾	\$ 941,968
989,330	AMUR Finance I LLC, (2012-1-A), 14%, due 10/15/16	989,576
1,000,000	AMUR Finance I LLC, (2012-B), 11%, due 11/21/17	999,999
625,000	Avalon IV Capital, Ltd., (12-1A-C), (144A), 3.93%, due 04/17/23 ⁽¹⁾⁽²⁾	630,469
250,000	Axis Equipment Finance Receivables LLC, (12-II-D), 5.5%, due 11/20/15	224,437
275,000	Axis Equipment Finance Receivables LLC, (12-II-E1), 6.25%, due 04/20/16	235,193
425,000	Axis Equipment Finance Receivables LLC, (12-II-E2), 7%, due 03/20/17	335,855
987,182	Babcock & Brown Air Funding, Ltd., (07-1A-G1), (144A), 0.542%, due 11/14/33 ⁽¹⁾⁽²⁾	829,233
935,836	Bayview Commercial Asset Trust, (04-2-A), (144A), 0.64%, due 08/25/34 ⁽¹⁾⁽²⁾	834,507
620,206	Bayview Commercial Asset Trust, (04-3-A1), (144A), 0.58%, due 01/25/35 ⁽¹⁾⁽²⁾	541,201
449,066	Bayview Commercial Asset Trust, (05-2A-A1), (144A), 0.52%, due 08/25/35 ⁽¹⁾⁽²⁾	329,009
2,232,062	Bayview Commercial Asset Trust, (05-4A-A1), (144A), 0.51%, due 01/25/36 ⁽¹⁾⁽²⁾	1,734,101
1,673,796	Bayview Commercial Asset Trust, (06-4A-A1), (144A), 0.44%, due 12/25/36 ⁽¹⁾⁽²⁾	1,372,381
1,000,000	Bayview Commercial Asset Trust, (06-SP1-M1), (144A), 0.66%, due 04/25/36 ⁽¹⁾⁽²⁾	723,885
1,146,188	Bayview Commercial Asset Trust, (07-2A-A1), (144A), 0.48%, due 07/25/37 ⁽¹⁾⁽²⁾	784,791
795,228	Bayview Commercial Asset Trust, (07-3-A1), (144A), 0.45%, due 07/25/37 ⁽¹⁾⁽²⁾	600,651
2,200,000	Brazos Higher Education Authority, Inc., (10-1-A2), 1.512%, due 02/25/35 ⁽²⁾⁽⁴⁾	2,176,917
750,000	Cerberus Offshore Levered I LP, (12-1A-B), (144A), 5.197%, due 11/30/18 ⁽¹⁾⁽²⁾	755,168
1,850,000	CIFC Funding, Ltd., (12-2A-A3L), (144A), 3.36%, due 12/05/24 ⁽¹⁾⁽²⁾	1,824,155
1,475,434	CIT Education Loan Trust, (07-1-A), (144A), 0.4%, due 03/25/42 ⁽¹⁾⁽²⁾	1,373,785
306,042	Cronos Containers Program, Ltd., (12-1A-A), (144A), 4.21%, due 05/18/27 ⁽¹⁾	305,934
390,000	Cronos Containers Program, Ltd., (12-2A-A), (144A), 3.81%, due 09/18/27 ⁽¹⁾	404,601
675,000	EFS Volunteer LLC, (10-1-A2), (144A), 1.165%, due 10/25/35 ⁽¹⁾⁽²⁾	648,325
1,500,000	EFS Volunteer No 2 LLC, (12-1-A2), (144A), 1.557%, due 03/25/36 ⁽¹⁾⁽²⁾	1,533,544
500,000	Galaxy CLO, Ltd., (12-14A-SUBA), (144A), 0%, due 11/15/24 ⁽¹⁾	440,000
961,432	GE Business Loan Trust, (03-2A-A), (144A), 0.579%, due 11/15/31 ⁽¹⁾⁽²⁾	899,991
349,612	GE Business Loan Trust, (03-2A-B), (144A), 1.209%, due 11/15/31 ⁽¹⁾⁽²⁾	293,674
611,654	GE Business Loan Trust, (04-1-A), (144A), 0.499%, due 05/15/32 ⁽¹⁾⁽²⁾	574,364
556,049	GE Business Loan Trust, (04-1-B), (144A), 0.909%, due 05/15/32 ⁽¹⁾⁽²⁾	451,061
589,590	GE Business Loan Trust, (04-2A-A), (144A), 0.429%, due 12/15/32 ⁽¹⁾⁽²⁾	550,114
941,872	GE Business Loan Trust, (05-1A-A3), (144A), 0.459%, due 06/15/33 ⁽¹⁾⁽²⁾	816,334
610,399	GE Business Loan Trust, (05-1A-C), (144A), 0.909%, due 06/15/33 ⁽¹⁾⁽²⁾	455,137
879,106	GE Business Loan Trust, (05-2A-A), (144A), 0.449%, due 11/15/33 ⁽¹⁾⁽²⁾	777,235
598,281	GE Business Loan Trust, (05-2A-B), (144A), 0.709%, due 11/15/33 ⁽¹⁾⁽²⁾	486,228
133,333	GE SeaCo Finance SRL, (04-1A-A), (144A), 0.509%, due 04/17/19 ⁽¹⁾⁽²⁾	131,494
802,084	GE SeaCo Finance SRL, (05-1A-A), (144A), 0.459%, due 11/17/20 ⁽¹⁾⁽²⁾	779,840
742,613	Genesis Funding, Ltd., (06-1A-G1), (144A), 0.45%, due 12/19/32 ⁽¹⁾⁽²⁾	648,153
506,912	Goal Capital Funding Trust, (06-1-B), 0.762%, due 08/25/42 ⁽²⁾	395,471
1,700,000	Halcyon Loan Advisors Funding, Ltd., (12-2A-C), (144A), 3.205%, due 12/20/24 ⁽¹⁾⁽²⁾	1,636,678
1,550,000	Hewetts Island CLO, Ltd., (06-5A-D), (144A), 1.761%, due 12/05/18 ⁽¹⁾⁽²⁾	1,344,285
1,200,000	Highland Loan Funding V, Ltd., (1A-A2A), (144A), 0.993%, due 08/01/14 ⁽¹⁾⁽²⁾	1,165,572
1,975,000	National Collegiate Master Student Loan Trust I, (02-2-AR9), (144A), 0%, due 11/01/42 ⁽¹⁾	1,970,185
3,000,000	National Collegiate Student Loan Trust, (07-3-A2A3), 6.5%, due 12/26/25	2,955,000

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

December 31, 2012

Principal Amount	Fixed Income Securities	Value
Asset-Backed Securities (Continued)		
\$ 2,200,000	North Carolina State Education Assistance Authority, (11-1-A3), 1.215%, due 10/25/41 ⁽²⁾⁽⁴⁾	\$ 2,236,762
600,000	OFSI Fund, Ltd., (06-1A-D), (144A), 2.059%, due 09/20/19 ⁽¹⁾⁽²⁾	484,805
1,441,427	Peachtree Finance Co. LLC, (2005-B-A), (144A), 4.71%, due 04/15/48 ⁽¹⁾	1,513,498
1,058,985	PMC Aviation LLC, (12-II-A), 18%, due 04/15/15	1,085,459
500,000	Sagamore CLO, Ltd., (03-1A-B), (144A), 1.84%, due 10/15/15 ⁽¹⁾⁽²⁾	498,702
1,000,000	Scholar Funding Trust, (12-B-A2), (144A), 1.31%, due 03/28/46 ⁽¹⁾⁽²⁾	966,465
1,000,000	SLC Student Loan Trust, (06-2-A5), 0.408%, due 09/15/26 ⁽²⁾	975,534
675,000	Sound Point CLO, Ltd., (12-1A-C), (144A), 3.684%, due 10/20/23 ⁽¹⁾⁽²⁾	671,456
550,000	Stanfield Vantage CLO, Ltd., (05-1A-B), (144A), 0.87%, due 03/21/17 ⁽¹⁾⁽²⁾	542,815
1,500,000	Student Loan Consolidation Center, (02-2-B2), (144A), 0%, due 07/01/42 ⁽¹⁾⁽⁵⁾	1,155,000
700,000	Symphony CLO, Ltd., (12-9A-C), (144A), 3.584%, due 04/16/22 ⁽¹⁾⁽²⁾	696,590
466,667	TAL Advantage LLC, (06-1A-NOTE), (144A), 0.401%, due 04/20/21 ⁽¹⁾⁽²⁾	458,469
509,167	TAL Advantage LLC, (10-2A-A), (144A), 4.3%, due 10/20/25 ⁽¹⁾	515,516
202,083	TAL Advantage LLC, (11-1A-A), (144A), 4.6%, due 01/20/26 ⁽¹⁾	210,142
362,500	Textainer Marine Containers, Ltd., (05-1A-A), (144A), 0.46%, due 05/15/20 ⁽¹⁾⁽²⁾	358,574
743,750	Textainer Marine Containers, Ltd., (11-1A-A), (144A), 4.7%, due 06/15/26 ⁽¹⁾	757,845
666,596	Trinity Rail Leasing LP, (06-1A-A1), (144A), 5.9%, due 05/14/36 ⁽¹⁾	761,205
437,143	TRIP Rail Holdings LLC, (11-1-SNR), (144A), 8%, due 07/06/14 (Cost \$437,143, Acquired 07/06/11) ⁽¹⁾⁽⁶⁾⁽⁷⁾	437,143
538,542	Triton Container Finance LLC, (06-1A-NOTE), (144A), 0.38%, due 11/26/21 ⁽¹⁾⁽²⁾	527,106
277,604	Triton Container Finance LLC, (07-1A-NOTE), (144A), 0.35%, due 02/26/19 ⁽¹⁾⁽²⁾	273,561
675,000	Veritas CLO I, Ltd., (04-1A-B), (144A), 1.111%, due 09/05/16 ⁽¹⁾⁽²⁾	672,663
560,000	Wind River CLO, Ltd., (04-1A-B1), (144A), 1.409%, due 12/19/16 ⁽¹⁾⁽²⁾	534,039
	Total Asset-Backed Securities (Cost: \$52,562,017)	54,233,850
Collateralized Mortgage Obligations (65.4%)		
Commercial Mortgage-Backed Securities (0.8%)		
1,972,403	DBRR Trust, (11-LC2-AC4), (144A), 4.537%, due 07/12/44 ⁽¹⁾⁽²⁾	2,256,742
Residential Mortgage-Backed Securities Agency (7.7%)		
507,863	Federal Home Loan Mortgage Corp., (1673-SD), 15.793%, due 02/15/24(I/F)(PAC) ⁽²⁾⁽⁴⁾	679,906
1,096,624	Federal Home Loan Mortgage Corp., (1760-ZD), 1.17%, due 02/15/24 ⁽²⁾⁽⁴⁾	1,112,981
306,363	Federal Home Loan Mortgage Corp., (2990-JK), 21.168%, due 03/15/35(I/F) ⁽²⁾⁽⁴⁾	465,620
8,835,318	Federal Home Loan Mortgage Corp., (3122-SG), 5.421%, due 03/15/36(I/O)(I/F) (TAC) (PAC) ⁽²⁾⁽⁴⁾	1,402,717
3,764,187	Federal Home Loan Mortgage Corp., (3239-SI), 6.441%, due 11/15/36(I/O)(PAC) ⁽²⁾⁽⁴⁾	562,020
3,897,365	Federal Home Loan Mortgage Corp., (3323-SA), 5.901%, due 05/15/37(I/O)(I/F) ⁽²⁾⁽⁴⁾	401,757
2,044,526	Federal Home Loan Mortgage Corp., (3459-JS), 6.041%, due 06/15/38(I/O)(I/F) ⁽²⁾	236,562
6,807,557	Federal Home Loan Mortgage Corp., (4030-HS), 6.401%, due 04/15/42(I/O) ⁽²⁾⁽⁴⁾	969,506
10,951,029	Federal National Mortgage Association, (04-53-QV), 1.59%, due 02/25/34(I/O)(I/F) ⁽²⁾	353,101
2,079,890	Federal National Mortgage Association, (07-42-SE), 5.9%, due 05/25/37(I/O)(I/F) ⁽²⁾	223,327

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10,877,608

Federal National Mortgage Association, (07-48-SD), 5.89%,
due 05/25/37(I/O)(I/F) ⁽²⁾⁽⁴⁾

2,083,814

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

Schedule of Investments (Continued)

Principal Amount	Fixed Income Securities	Value
	Collateralized Mortgage Obligations (Continued)	
	Residential Mortgage-Backed Securities Agency (Continued)	
\$ 2,256,247	Federal National Mortgage Association, (09-69-CS), 6.54%, due 09/25/39(I/O) (I/F) ⁽²⁾⁽⁴⁾	\$ 345,724
3,681,226	Federal National Mortgage Association, (10-112-PI), 6%, due 10/25/40(I/O)	415,295
3,074,440	Federal National Mortgage Association, (10-99-NI), 6%, due 09/25/40(I/O)	345,290
3,797,102	Government National Mortgage Association, (05-45-DK), 21.164%, due 06/16/35 (I/F) ⁽²⁾⁽⁴⁾	5,857,432
10,091,164	Government National Mortgage Association, (06-35-SA), 6.389%, due 07/20/36 (I/O)(I/F) ⁽²⁾⁽⁴⁾	1,584,426
17,777,142	Government National Mortgage Association, (06-61-SA), 4.539%, due 11/20/36 (I/O)(I/F)(TAC) ⁽²⁾⁽⁴⁾	1,848,060
10,215,905	Government National Mortgage Association, (08-58-TS), 6.189%, due 05/20/38 (I/O)(I/F)(TAC) ⁽²⁾⁽⁴⁾	1,582,963
	Total Residential Mortgage-Backed Securities Agency	20,470,501
	Residential Mortgage-Backed Securities Non-Agency (56.9%)	
2,500,000	ACE Securities Corp., (06-ASP3-A2C), 0.36%, due 06/25/36 ⁽²⁾	1,524,423
2,198,473	ACE Securities Corp., (07-ASP1-A2C), 0.47%, due 03/25/37 ⁽²⁾	1,187,012
2,196,202	Adjustable Rate Mortgage Trust, (05-4-6A22), 3.048%, due 08/25/35 ⁽²⁾	1,179,052
1,269,336	Adjustable Rate Mortgage Trust, (06-1-2A1), 3.332%, due 03/25/36 ⁽²⁾⁽⁸⁾	883,735
2,200,000	Asset-Backed Funding Certificates, (05-HE2-M2), 0.96%, due 06/25/35 ⁽²⁾	2,134,971
3,000,000	Asset-Backed Securities Corp. Home Equity, (06-HE3-A5), 0.48%, due 03/25/36 ⁽²⁾	1,543,680
3,100,000	Asset-Backed Securities Corp. Home Equity, (07-HE1-A4), 0.35%, due 12/25/36 ⁽²⁾	1,732,216
1,540,506	BCAP LLC Trust, (10-RR11-3A2), (144A), 3.022%, due 06/27/36 ⁽¹⁾⁽²⁾	1,545,814
1,415,761	BCAP LLC Trust, (11-RR3-1A5), (144A), 3.102%, due 05/27/37 ⁽¹⁾⁽²⁾	1,383,479
1,943,517	BCAP LLC Trust, (11-RR3-5A3), (144A), 2.76%, due 11/27/37 ⁽¹⁾⁽²⁾	1,844,666
951,269	BCAP LLC Trust, (11-RR4-1A3), (144A), 3.067%, due 03/26/36 ⁽¹⁾⁽²⁾	911,311
1,180,242	BCAP LLC Trust, (11-RR5-1A3), (144A), 2.82%, due 03/26/37 ⁽¹⁾⁽²⁾	1,139,867
746,939	BCAP LLC Trust, (11-RR5-2A3), (144A), 3.048%, due 06/26/37 ⁽¹⁾⁽²⁾	741,812
2,014,143	Bear Stearns Adjustable Rate Mortgage Trust, (07-4-22A1), 5.434%, due 06/25/47 ⁽²⁾⁽⁸⁾	1,751,697
1,161,815	Bear Stearns Asset-Backed Securities Trust, (06-IM1-A1), 0.44%, due 04/25/36 ⁽²⁾⁽⁸⁾	660,222
455,990	Centex Home Equity, (05-A-AF5), 5.28%, due 01/25/35	486,632
3,100,000	Centex Home Equity, (06-A-AV4), 0.46%, due 06/25/36 ⁽²⁾	2,541,640
3,402,702	Citigroup Mortgage Loan Trust, Inc., (05-8-1A1A), 2.93%, due 10/25/35 ⁽²⁾	2,712,165
2,735,066	CitiMortgage Alternative Loan Trust, (06-A3-1A7), 6%, due 07/25/36 ⁽⁸⁾	2,253,652
1,586,865	CitiMortgage Alternative Loan Trust, (06-A5-1A8), 6%, due 10/25/36 ⁽⁸⁾	1,305,463
657,992	Conseco Finance Securitizations Corp., (01-4-A4), 7.36%, due 08/01/32	698,689
1,200,000	Countryplace Manufactured Housing Contract Trust, (07-1-A4), (144A), 5.846%, due 07/15/37 ⁽¹⁾⁽²⁾	1,211,070
1,629,899	Countrywide Asset-Backed Certificates, (07-13-2A1), 1.11%, due 10/25/47 ⁽²⁾	1,188,100
2,071,190	Countrywide Home Loans, (04-HYB4-B1), 2.715%, due 09/20/34 ⁽²⁾	111,623
95,205,290	Countrywide Home Loans, (06-14-X), 0.3%, due 09/25/36(I/O) ⁽²⁾⁽⁴⁾⁽⁶⁾	1,027,170
2,986,314	Countrywide Home Loans, (06-HYB2-1A1), 3.044%, due 04/20/36 ⁽²⁾⁽⁸⁾	1,787,834

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

December 31, 2012

Principal Amount	Fixed Income Securities	Value
	Collateralized Mortgage Obligations (Continued)	
	Residential Mortgage-Backed Securities Non-Agency (Continued)	
\$ 656,983	Credit Suisse First Boston Mortgage Securities Corp., (04-AR5-11A2), 0.95%, due 06/25/34 ⁽²⁾⁽⁴⁾	\$ 645,042
2,509,914	Credit Suisse First Boston Mortgage Securities Corp., (05-12-1A1), 6.5%, due 01/25/36 ⁽⁸⁾	1,702,643
1,722,851	Credit Suisse Mortgage Capital Certificates, (06-6-1A8), 6%, due 07/25/36 ⁽⁸⁾	1,195,524
8,299,329	Credit Suisse Mortgage Capital Certificates, (06-9-7A2), 6.34%, due 11/25/36(I/O)(I/F) ⁽²⁾⁽⁶⁾	2,257,148
1,301,414	Credit-Based Asset Servicing and Securitization LLC, (03-CB3-AF1), 3.379%, due 12/25/32 ⁽⁴⁾	1,229,405
2,050,933	Credit-Based Asset Servicing and Securitization LLC, (06-CB1-AF2), 4.19%, due 01/25/36 ⁽²⁾	1,223,808
3,321,061	Credit-Based Asset Servicing and Securitization LLC, (06-CB2-AF2), 4.274%, due 12/25/36 ⁽²⁾	2,115,786
4,772,958	Deutsche Alt-A Securities, Inc. Mortgage Loan Trust, (06-AB2-A2), 6.16%, due 06/25/36 ⁽²⁾⁽⁸⁾	3,469,274
1,954,359	Deutsche Alt-A Securities, Inc. Mortgage Loan Trust, (06-AR6-A6), 0.4%, due 02/25/37 ⁽²⁾	1,160,436
445,428	DSL A Mortgage Loan Trust, (06-AR2-2A1A), 0.41%, due 10/19/36 ⁽²⁾	350,445
2,447,618	First Franklin Mortgage Loan Asset Backed Certificates, (06-FF18-A2D), 0.42%, due 12/25/37 ⁽²⁾	1,302,695
1,093,979	Green Tree, (08-MH1-A2), (144A), 8.97%, due 04/25/38 ⁽¹⁾⁽²⁾	1,185,133
997,711	Green Tree, (08-MH1-A3), (144A), 8.97%, due 04/25/38 ⁽¹⁾⁽²⁾	1,095,127
2,500,000	Green Tree Financial Corp., (96-10-M1), 7.24%, due 11/15/28 ⁽²⁾	2,733,754
750,000	Green Tree Financial Corp., (96-6-M1), 7.95%, due 09/15/27	853,115
1,173,513	Green Tree Financial Corp., (96-7-M1), 7.7%, due 09/15/26 ⁽²⁾	1,275,504
890,304	Green Tree Financial Corp., (97-3-A5), 7.14%, due 03/15/28	976,544
369,087	Green Tree Financial Corp., (97-3-A7), 7.64%, due 03/15/28 ⁽²⁾	409,540
786,263	Green Tree Financial Corp., (98-3-A6), 6.76%, due 03/01/30 ⁽²⁾	851,745
887,372	Green Tree Financial Corp., (98-4-A5), 6.18%, due 04/01/30	900,789
758,815	Green Tree Financial Corp., (98-4-A6), 6.53%, due 04/01/30 ⁽²⁾	799,295
803,496	Green Tree Financial Corp., (98-4-A7), 6.87%, due 04/01/30 ⁽²⁾	863,165
888,384	Greenpoint Manufactured Housing, (99-5-A5), 7.82%, due 12/15/29 ⁽²⁾	939,839
474,743	Greenpoint Mortgage Funding Trust, (05-HE4-1A1), 0.65%, due 07/25/30 ⁽²⁾⁽⁴⁾	437,155
2,642,307	GSAA Home Equity Trust, (06-13-AF6), 6.04%, due 07/25/36	1,851,467
1,288,327	GSC Capital Corp. Mortgage Trust, (06-2-A1), 0.39%, due 05/25/36 ⁽²⁾⁽⁸⁾	623,935
1,207,078	GSR Mortgage Loan Trust, (05-AR3-6A1), 3.013%, due 05/25/35 ⁽²⁾	1,065,264
1,523,395	GSR Mortgage Loan Trust, (06-1F-1A5), 29.372%, due 02/25/36 (I/F)(TAC) ⁽²⁾⁽⁶⁾	2,249,142
207,469	Household Home Equity Loan Trust, (05-2-M1), 0.671%, due 01/20/35 ⁽²⁾	197,431
1,000,000	HSI Asset Securitization Corp. Trust, (06-OPT2-2A4), 0.5%, due 01/25/36 ⁽²⁾	951,326
5,015,422	Indymac Index Mortgage Loan Trust, (06-AR13-A4X), 4.324%, due 07/25/36 (I/O) ⁽²⁾⁽⁶⁾	208,327
2,143,680	Indymac Index Mortgage Loan Trust, (07-AR15-2A1), 4.696%, due 08/25/37 ⁽²⁾	1,655,919
2,513,886	Indymac Index Mortgage Loan Trust, (07-AR5-2A1), 2.973%, due 05/25/37 ⁽²⁾	1,665,930

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

Schedule of Investments (Continued)

Principal Amount	Fixed Income Securities	Value
	Collateralized Mortgage Obligations (Continued)	
	Residential Mortgage-Backed Securities Non-Agency (Continued)	
\$ 2,051,352	Indymac Index Mortgage Loan Trust, (07-FLX2-A1C), 0.4%, due 04/25/37 ⁽²⁾	\$ 1,026,170
619,246	Indymac Manufactured Housing Contract, (98-2-A4), 6.64%, due 08/25/29 ⁽²⁾	619,870
1,324,236	JPMorgan Alternative Loan Trust, (06-A2-5A1), 5.3%, due 05/25/36 ⁽²⁾⁽⁸⁾	992,976
1,171,679	JPMorgan Mortgage Trust, (07-S2-1A1), 5%, due 06/25/37 ⁽⁸⁾	945,272
730,599	Lehman ABS Manufactured Housing Contract Trust, (01-B-A6), 6.467%, due 04/15/40 ⁽²⁾	812,485
2,484,745	Lehman XS Trust, (06-10N-1A3A), 0.42%, due 07/25/46 ⁽²⁾⁽⁸⁾	1,692,853
3,347,423	Lehman XS Trust, (06-12N-A31A), 0.41%, due 08/25/46 ⁽²⁾⁽⁸⁾	1,991,407
1,677,292	Lehman XS Trust, (07-14H-A211), 0.47%, due 07/25/47 ⁽²⁾⁽⁵⁾⁽⁸⁾	888,165
1,300,000	Long Beach Mortgage Loan Trust, (04-4-M1), 1.11%, due 10/25/34 ⁽²⁾⁽⁴⁾	1,151,560
3,379,152	MASTR Adjustable Rate Mortgages Trust, (07-3-22A5), 0.55%, due 05/25/47 ⁽²⁾⁽⁸⁾	826,665
2,370,355	MASTR Alternative Loans Trust, (07-HF1-4A1), 7%, due 10/25/47 ⁽⁸⁾	1,789,706
1,749,410	Merrill Lynch First Franklin Mortgage Loan Trust, (07-3-A2B), 0.34%, due 06/25/37 ⁽²⁾	1,234,517
2,450,000	Merrill Lynch First Franklin Mortgage Loan Trust, (07-3-A2C), 0.39%, due 06/25/37 ⁽²⁾	1,189,235
3,307,328	Merrill Lynch First Franklin Mortgage Loan Trust, (07-5-2A2), 1.21%, due 10/25/37 ⁽²⁾	2,163,603
1,251,044	Merrill Lynch Mortgage-Backed Securities Trust, (07-2-1A1), 2.553%, due 08/25/36 ⁽²⁾	1,039,121
695,636	Mid-State Trust, (04-1-B), 8.9%, due 08/15/37	734,687
695,636	Mid-State Trust, (04-1-M1), 6.497%, due 08/15/37	752,350
339,485	Mid-State Trust, (6-A1), 7.34%, due 07/01/35	352,848
532,525	Mid-State Trust, (6-A3), 7.54%, due 07/01/35	541,209
1,525,274	Morgan Stanley Capital, Inc., (03-NC6-M1), 1.41%, due 06/25/33 ⁽²⁾	1,423,645
320,831	Morgan Stanley Capital, Inc., (05-HE3-M2), 0.73%, due 07/25/35 ⁽²⁾	315,858
1,500,000	Morgan Stanley Capital, Inc., (05-HE3-M3), 0.74%, due 07/25/35 ⁽²⁾	1,339,939
2,193,402	Morgan Stanley Mortgage Loan Trust, (07-15AR-4A1), 4.769%, due 11/25/37 ⁽²⁾⁽⁸⁾	1,503,106
3,000,000	Nationstar Home Equity Loan Trust, (07-B-2AV3), 0.46%, due 04/25/37 ⁽²⁾	1,776,547
1,280,000	New Century Home Equity Loan Trust, (05-3-M1), 0.69%, due 07/25/35 ⁽²⁾	1,257,283
2,888,788	Nomura Asset Acceptance Corp., (06-AR1-1A), 3.488%, due 02/25/36 ⁽²⁾⁽⁸⁾	1,821,095
3,089,225	Novastar Home Equity Loan, (06-2-A2C), 0.36%, due 06/25/36 ⁽²⁾	1,781,045
559,645	Oakwood Mortgage Investors, Inc., (01-D-A3), 5.9%, due 09/15/22 ⁽²⁾	435,255
915,150	Oakwood Mortgage Investors, Inc., (01-D-A4), 6.93%, due 09/15/31 ⁽²⁾	777,968
764,171	Oakwood Mortgage Investors, Inc., (02-A-A3), 6.03%, due 05/15/24 ⁽²⁾	809,492
463,191	Oakwood Mortgage Investors, Inc., (98-D-A), 6.4%, due 01/15/29	472,341
810,779	Oakwood Mortgage Investors, Inc., (99-B-A4), 6.99%, due 12/15/26	884,176
903,055	Origen Manufactured Housing, (04-A-M2), 6.64%, due 01/15/35 ⁽²⁾	1,003,192
755,231	Origen Manufactured Housing, (05-A-M1), 5.46%, due 06/15/36 ⁽²⁾	799,226
87,030	Origen Manufactured Housing, (06-A-A1), 0.359%, due 11/15/18 ⁽²⁾	86,854
975,610	Park Place Securities, Inc., (05-WCH1-M2), 0.73%, due 01/25/36 ⁽²⁾	957,058
1,810,000	Park Place Securities, Inc., (05-WCW1-M1), 0.66%, due 09/25/35 ⁽²⁾	1,689,617
1,083,150	Park Place Securities, Inc., (05-WHQ1-M2), 0.71%, due 03/25/35 ⁽²⁾⁽⁴⁾	1,049,608
1,122,082	Popular ABS Mortgage Pass-Through Trust, (05-3-AF4), 4.776%, due 07/25/35 ⁽²⁾	1,159,228
2,300,566	Residential Accredited Loans, Inc., (05-QA7-A1), 3.425%, due 07/25/35 ⁽²⁾	1,688,532
1,567,231	Residential Accredited Loans, Inc., (06-Q07-2A1), 1.015%, due 09/25/46 ⁽²⁾⁽⁸⁾	868,661
1,520,109	Residential Accredited Loans, Inc., (06-QS1-A3), 5.75%, due 01/25/36 (PAC) ⁽⁸⁾	1,322,130
34,998,810	Residential Accredited Loans, Inc., (06-QS11-AV), 0.332%, due 08/25/36 (I/O) ⁽²⁾⁽⁶⁾	485,871

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

December 31, 2012

Principal Amount	Fixed Income Securities	Value
	Collateralized Mortgage Obligations (Continued)	
	Residential Mortgage-Backed Securities Non-Agency (Continued)	
\$ 17,372,700	Residential Accredit Loans, Inc., (06-QS6-1AV), 0.725%, due 06/25/36 (I/O) ⁽²⁾⁽⁶⁾	\$ 504,547
3,372,885	Residential Accredit Loans, Inc., (06-QS8-A3), 6%, due 08/25/36 ⁽⁸⁾	2,667,917
38,532,879	Residential Accredit Loans, Inc., (07-QS2-AV), 0.318%, due 01/25/37 (I/O) ⁽²⁾⁽⁶⁾	525,319
38,979,956	Residential Accredit Loans, Inc., (07-QS3-AV), 0.316%, due 02/25/37 (I/O) ⁽²⁾⁽⁶⁾	665,017
970,665	Residential Accredit Loans, Inc., (07-QS6-A62), 5.5%, due 04/25/37 (TAC) ⁽⁸⁾	715,577
6,493,750	Residential Asset Securitization Trust, (07-A5-AX), 6%, due 05/25/37 (I/O) ⁽⁶⁾	966,129
120,129,878	Residential Funding Mortgage Securities, (06-S9-AV), 0.304%, due 09/25/36 (I/O) ⁽²⁾⁽⁶⁾	1,239,380
503,526	Residential Funding Mortgage Securities II, Inc., (01-HI3-AI7), 7.56%, due 07/25/26	512,155
2,869,991	Securitized Asset-Backed Receivables LLC Trust, (07-BR4-A2C), 0.5%, due 05/25/37 ⁽²⁾	1,475,501
3,989,981	Soundview Home Equity Loan Trust, (06-WF1-A3), 5.552%, due 10/25/36 ⁽²⁾	3,026,347
1,375,090	Structured Adjustable Rate Mortgage Loan Trust, (05-20-1A1), 2.868%, due 10/25/35 ⁽²⁾⁽⁸⁾	876,317
1,160,060	Structured Adjustable Rate Mortgage Loan Trust, (07-9-2A1), 2.957%, due 10/25/47 ⁽²⁾⁽⁸⁾	807,779
1,640,000	Structured Asset Investment Loan Trust, (05-5-M1), 0.63%, due 06/25/35 ⁽²⁾	1,612,284
1,421,961	Structured Asset Mortgage Investments, Inc., (07-AR6-A1), 1.66%, due 08/25/47 ⁽²⁾	1,042,023
1,000,000	Structured Asset Securities Corp., (05-WF4-M2), 0.64%, due 11/25/35 ⁽²⁾	811,736
45,824	Terwin Mortgage Trust, (06-17HE-A2A), (144A), 0.29%, due 01/25/38 ⁽¹⁾⁽²⁾⁽⁸⁾	45,005
371,558	UCFC Manufactured Housing Contract, (97-4-A4), 6.995%, due 04/15/29 ⁽²⁾	381,409
694,967	Vanderbilt Acquisition Loan Trust, (02-1-A4), 6.57%, due 05/07/27 ⁽²⁾⁽⁴⁾	733,715
500,161	Vanderbilt Acquisition Loan Trust, (02-1-M1), 7.33%, due 05/07/32 ⁽²⁾	556,312
1,289,350	Vanderbilt Mortgage Finance, (00-C-ARM), 0.563%, due 10/07/30 ⁽²⁾	1,011,256
825,828	Vanderbilt Mortgage Finance, (01-A-M1), 7.74%, due 04/07/31 ⁽²⁾	847,107
483,274	Vanderbilt Mortgage Finance, (01-C-M1), 6.76%, due 01/07/32	492,084
900,000	Vanderbilt Mortgage Finance, (02-C-A5), 7.6%, due 12/07/32	939,525
3,543,479	WAMU Asset-Backed Certificates, (07-HE1-2A3), 0.36%, due 01/25/37 ⁽²⁾	1,829,055
1,548,715	Washington Mutual Mortgage Pass-Through Certificates, (06-AR9-2A), 1%, due 11/25/46 ⁽²⁾⁽⁸⁾	765,487
995,550	Wells Fargo Mortgage Backed Securities Trust, (06-2-1A4), 18.81%, due 03/25/36 (I/F) ⁽²⁾⁽⁶⁾	1,418,364
1,648,089	Wells Fargo Mortgage Backed Securities Trust, (06-AR10-5A1), 2.614%, due 07/25/36 ⁽²⁾⁽⁸⁾	1,448,326
1,610,254	Wells Fargo Mortgage Backed Securities Trust, (07-AR3-A4), 5.705%, due 04/25/37 ⁽²⁾⁽⁸⁾	1,478,901
	Total Residential Mortgage-Backed Securities Non-Agency	151,776,647
	Total Collateralized Mortgage Obligations (Cost: \$151,781,955)	174,503,890
	Bank Loans (2.0%)	
	Electric (1.1%)	
1,128,718	Mach Gen, LLC, Second Lien Term Loan, 22.6%, due 02/20/15 ⁽⁹⁾	743,543
3,500,000	TXU U.S. Holdings Co., Extended First Lien Term Loan, 11%, due 10/10/17 ⁽⁹⁾	2,356,875
	Total Electric	3,100,418

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

Schedule of Investments (Continued)

Principal Amount	Fixed Income Securities	Value
	Bank Loans (Continued)	
	Lodging (0.5%)	
\$ 1,400,000	Caesars Entertainment Operating Co., First Lien Loan Agreement, 8%, due 01/26/18 ⁽⁹⁾	\$ 1,254,050
	Telecommunications (0.4%)	
987,500	Intelsat Jackson Holdings, Ltd., Term Loan, 6.1%, due 04/02/18 ⁽⁹⁾	996,670
	Total Bank Loans (Cost: \$5,507,930)	5,351,138
	Corporate Bonds (17.4%)	
	Airlines (2.4%)	
1,825,622	Continental Airlines, Inc. Pass-Through Certificates, (00-2-A1), 7.707%, due 10/02/22(EETC)	2,076,645
866,417	Delta Air Lines, Inc. Pass-Through Certificates, (02-1G1), 6.718%, due 07/02/24(EETC)	956,308
1,000,000	JetBlue Airways Corp. Pass-Through Trust, (04-2-G2), 0.76%, due 05/15/18 (EETC) ⁽²⁾	885,000
812,847	US Airways Group, Inc. Pass-Through Trust, (10-1A), 6.25%, due 10/22/24(EETC)	882,955
1,500,000	US Airways Group, Inc. Pass-Through Trust, (12-2B), 6.75%, due 12/03/22(EETC)	1,550,625
	Total Airlines	6,351,533
	Banks (4.4%)	
700,000	Abbey National Treasury Services PLC (United Kingdom), (144A), 3.875%, due 11/10/14 ⁽¹⁾	726,651
1,000,000	Bank of America NA, 0.608%, due 06/15/17 ⁽²⁾	940,280
1,400,000	Chase Capital III, 0.861%, due 03/01/27 ⁽²⁾	1,155,000
2,000,000	Citigroup, Inc., 0.862%, due 08/25/36 ⁽²⁾	1,465,272
1,250,000	Goldman Sachs Group, Inc. (The), 5.35%, due 01/15/16	1,380,639
1,000,000	HBOS PLC (United Kingdom), (144A), 6%, due 11/01/33 ⁽¹⁾	923,066
400,000	JPMorgan Chase Capital XXI, 1.263%, due 02/02/37 ⁽²⁾	310,475
1,000,000	JPMorgan Chase Capital XXIII, 1.31%, due 05/15/47 ⁽²⁾	770,219
975,000	Lloyds TSB Bank PLC (United Kingdom), 4.875%, due 01/21/16	1,077,087
650,000	Lloyds TSB Bank PLC (United Kingdom), (144A), 5.8%, due 01/13/20 ⁽¹⁾	761,804
1,000,000	Morgan Stanley, 0.775%, due 10/18/16 ⁽²⁾	950,279
1,200,000	Royal Bank of Scotland Group PLC (United Kingdom), 6.125%, due 12/15/22	1,261,200
	Total Banks	11,721,972
	Coal (0.2%)	
675,000	Arch Coal, Inc., 7%, due 06/15/19	627,750
	Diversified Financial Services (1.6%)	
475,000	Cantor Fitzgerald LP, (144A), 6.375%, due 06/26/15 ⁽¹⁾	481,372
2,000,000	General Electric Capital Corp., 0.79%, due 08/15/36 ⁽²⁾⁽⁴⁾	1,560,328
1,400,000	International Lease Finance Corp., (144A), 6.5%, due 09/01/14 ⁽¹⁾	1,498,000
715,000	ZFS Finance USA Trust II, (144A), 6.45%, due 12/15/65 ⁽¹⁾⁽²⁾	768,625
	Total Diversified Financial Services	4,308,325

Electric (2.7%)

850,000

AES Corp., 7.75%, due 10/15/15

956,250

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

December 31, 2012

Principal Amount	Fixed Income Securities	Value
	Corporate Bonds (Continued)	
	Electric (Continued)	
\$ 1,250,000	Astoria Depositor Corp., (144A), 8.144%, due 05/01/21 ⁽¹⁾	\$ 1,225,000
2,250,000	Dynegy Roseton/Danskammer Pass-Through Trust, Series B, 7.67%, due 11/08/16(EETC) ⁽¹⁰⁾	56,250
650,000	Edison Mission Energy, 7%, due 05/15/17 ⁽¹⁰⁾	347,750
1,000,000	GenOn Americas Generation LLC, 9.125%, due 05/01/31	1,105,000
798,437	Mirant Mid-Atlantic Pass-Through Certificates, Series B, 9.125%, due 06/30/17(EETC)	870,296
1,169,153	Mirant Mid-Atlantic Pass-Through Certificates, Series C, 10.06%, due 12/30/28(EETC)	1,326,989
1,200,000	PNM Resources, Inc., 9.25%, due 05/15/15	1,375,500
	Total Electric	7,263,035
	Engineering & Construction (0.3%)	
700,000	BAA Funding, Ltd., (144A), 4.875%, due 07/15/23 ⁽¹⁾	768,667
	Gas (1.8%)	
1,190,000	Sabine Pass LNG, LP, 7.5%, due 11/30/16	1,314,950
1,500,000	Sabine Pass LNG, LP, (144A), 7.5%, due 11/30/16 ⁽¹⁾	1,601,250
2,066,000	Southern Union Co., 3.33%, due 11/01/66 ⁽²⁾	1,779,342
	Total Gas	4,695,542
	Healthcare-Services (0.2%)	
540,000	CHS/Community Health Systems, Inc., 8%, due 11/15/19	587,250
	Iron & Steel (0.3%)	
800,000	ArcelorMittal (Luxembourg), 6.25%, due 02/25/22	845,040
	Oil & Gas (0.2%)	
500,000	Pacific Drilling V, Ltd., (144A), 7.25%, due 12/01/17 ⁽¹⁾	521,250
	Real Estate (0.6%)	
1,375,000	Post Apartment Homes, LP, 4.75%, due 10/15/17	1,521,064
	REIT (2.0%)	
1,000,000	HCP, Inc., 6%, due 01/30/17	1,149,803
500,000	HCP, Inc., 6.3%, due 09/15/16	577,434
1,000,000	Health Care REIT, Inc., 4.7%, due 09/15/17	1,116,659
700,000	Healthcare Realty Trust, Inc., 5.75%, due 01/15/21	787,633
500,000	Healthcare Realty Trust, Inc., 6.5%, due 01/17/17	572,214
950,000	SL Green Realty Corp., 5%, due 08/15/18	1,031,595
	Total REIT	5,235,338

Trucking & Leasing (0.7%)

808,000

AWAS Aviation Capital, Ltd., (144A), 7%, due 10/17/16 ⁽¹⁾

855,470

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

Schedule of Investments (Continued)

Principal Amount	Fixed Income Securities	Value
	Corporate Bonds (Continued)	
	Trucking & Leasing (Continued)	
\$ 1,000,000	Maxim Crane Works LP, (144A), 12.25%, due 04/15/15 ⁽¹⁾	\$ 1,030,000
	Total Trucking & Leasing	1,885,470
	Total Corporate Bonds (Cost: \$43,742,590)	46,332,236
	Municipal Bonds (1.3%)	
1,000,000	California State Build America Bonds, 7.95%, due 03/01/36	1,243,690
1,200,000	Illinois State Build America Bonds, 6.63%, due 02/01/35	1,361,376
765,000	Illinois State General Obligation Bonds, 5.1%, due 06/01/33	757,472
	Total Municipal Bonds (Cost: \$3,234,647)	3,362,538
	Total Fixed Income Securities (Cost: \$256,829,139) (106.4%)	283,783,652
	Convertible Preferred Stock	
	Electric (0.3%)	
16,500	AES Corp., \$3.375	819,225
	Oil & Gas (0.2%)	
8,200	Chesapeake Energy Corp., \$5.00	618,280
	Total Convertible Preferred Stock (Cost: \$1,473,300) (0.5%)	1,437,505
	Common Stock	
	Electric (0.4%)	
52,104	Dynegy, Inc. ⁽¹¹⁾	996,750
	Total Common Stock (Cost: \$1,832,723) (0.4%)	996,750
	Short Term Investments	
	Repurchase Agreement (Cost: \$18,623) (0.0%)	
\$ 18,623	State Street Bank & Trust Company, 0.01%, due 01/02/13 (collateralized by \$20,000 U.S. Treasury Note, 0.25%, due 09/30/14, valued at \$20,018) (Total Amount to be Received Upon Repurchase \$18,623)	\$ 18,623
	U.S. Treasury Security (Cost: \$1,404,811) (0.5%)	
1,405,000	U.S. Treasury Bill, 0.067%, due 04/04/13 ⁽¹²⁾	1,404,759

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Total Short-Term Investments (Cost \$1,423,434) (0.5%)	1,423,382
TOTAL INVESTMENTS (Cost \$261,558,596) (107.8%)	287,641,289
LIABILITIES IN EXCESS OF OTHER ASSETS (-7.8%)	(20,843,275)
NET ASSETS (100.0%)	\$ 266,798,014

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

December 31, 2012

Futures Contracts Exchange Traded⁽⁹⁾

Number of Contracts	Type	Expiration Date	Notional Contract Value	Net Unrealized Appreciation (Depreciation)
BUY				
75	S&P 500 Index Futures	03/14/13	\$ 26,626,875	\$ (97,697)
SELL				
12	10-Year U.S. Treasury Note Futures	03/19/13	\$ 1,593,375	\$ 7,477
9	30-Year U.S. Treasury Bond Futures	03/19/13	1,327,500	18,475
			\$ 2,920,875	\$ 25,952

Notes to Schedule of Investments:

- (1) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At December 31, 2012, the value of these securities amounted to \$66,144,828 or 24.8% of net assets. These securities are determined to be liquid by the Advisor, unless otherwise noted, under procedures established by and under the general supervision of the Fund's Board of Directors.
- (2) Floating or variable rate security. The interest shown reflects the rate in effect at December 31, 2012.
- (3) As of December 31, 2012, the Fund has sufficient assets to cover any commitments or collateral requirements of the relevant broker or exchange.
- (4) All or a portion of this security is segregated to cover open futures contracts.
- (5) As of December 31, 2012, security is not accruing interest.
- (6) Illiquid security.
- (7) Restricted security (Note 7).
- (8) A portion of the principal balance has been written-off during the period due to defaults in the underlying loans.
- (9) Rate stated is the effective yield.
- (10) Security is currently in default due to bankruptcy or failure to make payment of principal or interest of the issuer. Income is not being accrued.
- (11) Non-income producing security.
- (12) Rate shown represents yield-to-maturity.

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.

REIT - Real Estate Investment Trust.

TAC - Target Amortization Class.

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.
Investments by Industry

December 31, 2012

Industry	Percentage of Net Assets
Residential Mortgage-Backed Securities - Non-Agency	56.9%
Asset-Backed Securities	20.3
Residential Mortgage-Backed Securities - Agency	7.7
Electric	4.5
Banks	4.4
Airlines	2.4
REIT	2.0
Gas	1.8
Diversified Financial Services	1.6
Municipal Bonds	1.3
Commercial Mortgage-Backed Securities	0.8
Trucking & Leasing	0.7
Real Estate	0.6
Lodging	0.5
Oil & Gas	0.4
Telecommunications	0.4
Engineering & Construction	0.3
Iron & Steel	0.3
Coal	0.2
Healthcare-Services	0.2
Short-Term Investments	0.5
 Total	 107.8%

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

Statement of Assets and Liabilities

December 31, 2012

ASSETS:

Investments, at Value (Cost: \$261,558,596)	\$ 287,641,289
Interest and Dividends Receivable	1,626,949
Receivable for Variation Margin on Open Financial Futures Contracts	686,813

Total Assets	289,955,051
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LIABILITIES:

Distributions Payable	13,649,407
Payables for Borrowings	9,081,000
Accrued Other Expenses	230,065
Accrued Investment Advisory Fees	141,316
Accrued Directors Fees and Expenses	34,260
Interest Payable on Borrowings	18,139
Accrued Compliance Expense	2,850

Total Liabilities	23,157,037
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NET ASSETS	\$ 266,798,014
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NET ASSETS CONSIST OF:

Common Stock, par value \$0.01 per share (75,000,000 shares authorized, 47,641,910 shares issued and outstanding)	\$ 476,419
Paid-in Capital	268,704,045
Accumulated Net Realized Loss on Investments, Futures Contracts and Swap Agreements	(26,816,070)
Distributions in Excess of Net Investment Income	(1,577,328)
Net Unrealized Appreciation on Investments and Futures Contracts	26,010,948

NET ASSETS	\$ 266,798,014
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NET ASSET VALUE PER SHARE	\$ 5.60
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MARKET PRICE PER SHARE	\$ 5.36
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See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

Statement of Operations

Year Ended December 31, 2012

INVESTMENT INCOME:	
Income	
Interest	\$ 23,075,364
Dividends	617,567
Total Investment Income	23,692,931
Expenses	
Investment Advisory Fees	1,735,536
Interest Expense	549,317
Legal Fees	210,067
Audit and Tax Service Fees	134,499
Directors Fees and Expenses	125,886
Proxy Expense	81,596
Accounting Fees	74,464
Custodian Fees	66,896
Transfer Agent Fees	54,320
Printing and Distribution Costs	44,563
Listing Fees	44,291
Compliance Expense	39,419
Miscellaneous Expenses	31,957
Administration Fees	14,777
Insurance Expense	11,812
Total Expenses	3,219,400
Net Investment Income	20,473,531
NET REALIZED GAIN AND CHANGE IN UNREALIZED APPRECIATION (DEPRECIATION) ON INVESTMENTS, FUTURES CONTRACTS AND SWAP AGREEMENTS:	
Net Realized Gain on:	
Investments	18,251,107
Futures Contracts	2,539,639
Swap Agreements	1,050
Change in Unrealized Appreciation (Depreciation) on:	
Investments	16,399,928
Futures Contracts	(337,143)
Swap Agreements	64,110
Net Realized Gain and Change in Unrealized Appreciation on Investments, Futures Contracts and Swap Agreements	36,918,691
INCREASE IN NET ASSETS FROM OPERATIONS	\$ 57,392,222

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

Statements of Changes in Net Assets

	Year Ended December 31, 2012	Year Ended December 31, 2011
INCREASE IN NET ASSETS:		
OPERATIONS:		
Net Investment Income	\$ 20,473,531	\$ 25,765,336
Net Realized Gain on Investments, Futures Contracts and Swap Agreements	20,791,796	5,882,708
Change in Unrealized Appreciation (Depreciation) on Investments, Futures Contracts and Swap Agreements	16,126,895	(16,515,692)
Increase in Net Assets Resulting from Operations	57,392,222	15,132,352
DISTRIBUTIONS TO SHAREHOLDERS:		
From Net Investment Income	(26,004,198)	(42,487,146)
CAPITAL SHARE TRANSACTIONS:		
Shares Issued in Reinvestment of Dividends (31,931 for the year ended December 31, 2012)	182,967	
Total Increase (Decrease) in Net Assets	31,570,991	(27,354,794)
NET ASSETS:		
Beginning of Year	235,227,023	262,581,817
End of Year	\$ 266,798,014	\$ 235,227,023
Distributions in Excess of Net Investment Income	\$ (1,577,328)	\$ (28,778,929)

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

Statement of Cash Flows

Year Ended December 31, 2012

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net Increase in Net Assets From Operations	\$ 57,392,222
Adjustments to Reconcile Increase in Assets Resulting From Operations to Net Cash Provided by Operating Activities:	
Investments Purchased	(103,487,569)
Proceeds from Investments Sold	151,843,048
Net Increase in Short-Term Investments	(545,062)
Net Amortization/Accretion of Premium/(Discount)	(451,465)
Decrease in Interest and Dividends Receivable	574,760
Decrease in Accrued Directors Fees and Expenses	(26)
Decrease in Accrued Compliance Expense	(2,075)
Decrease in Accrued Investment Advisory Fees	(14,483)
Decrease in Variation Margin on Futures	(724,253)
Decrease in Interest Payable on Borrowings	(185,877)
Increase in Accrued Other Expenses	70,931
Change in Valuation of Swap Agreements	(186,435)
Realized and Unrealized (Gain)/Loss on Investments	(34,651,035)
Net Cash Provided by Operating Activities	69,632,681
CASH FLOWS USED IN FINANCING ACTIVITIES:	
Distributions to Shareholders	(41,044,564)
Proceeds from Dividend Reinvestment	182,967
Decrease in Borrowings	(28,771,250)
Net Cash Used in Financing Activities	(69,632,847)
Net Change in Cash	(166)
Cash at Beginning of Year	166
Cash at End of the Year	\$
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:	
Interest paid during the year	\$ 735,194

See accompanying notes to financial statements.

TCW Strategic Income Fund, Inc.

Notes to Financial Statements

December 31, 2012

Note 1 Significant Accounting Policies:

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

Security Valuation: Securities traded on national exchanges, except those traded on the Nasdaq Stock Market, Inc. (Nasdaq), are valued at the last reported sales price or the mean of the current bid and asked prices if there are no sales in the trading period. Securities traded on the Nasdaq are valued in accordance with the Nasdaq Official Closing Price, which may not be the last reported sales price. Other securities which are traded on the over-the-counter market are valued at the mean of current bid and asked prices as furnished by independent pricing services or by dealer quotations. Short-term debt securities with maturities of 60 days or less at the time of purchase are valued at amortized cost. Other short-term debt securities are valued on a marked-to-market basis until such time as they reach a remaining maturity of 60 days, after which they are valued at amortized cost using their value of the 61st day prior to maturity. S&P 500 Index futures contracts are valued at the first sale price after 4 p.m. ET on the Chicago Mercantile Exchange. Swap agreements are valued at the last ask price if no sales are reported.

Securities for which market quotations are not readily available, including circumstances under which it is determined by the Advisor that sale or mean prices are not reflective of a security's market value, are valued at their fair value as determined in good faith under procedures established by and under the general supervision of the Fund's Board of Directors.

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

TCW Strategic Income Fund, Inc.

Notes to Financial Statements (Continued)

Note 1 Significant Accounting Policies (Continued)

Level 1 quoted prices in active markets for identical investments

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

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

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

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

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

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

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

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

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

TCW Strategic Income Fund, Inc.

December 31, 2012

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

Equity securities. Securities are generally valued based on quoted prices from the applicable exchange. To the extent these securities are actively traded, valuation adjustments are not applied and they are categorized in Level 1 of the fair value hierarchy. Restricted securities issued by publicly held companies are valued at a discount to similar publicly traded securities and may be categorized as Level 2 of the fair value hierarchy to the extent that the discount is considered to be insignificant to the fair value measurement in its entirety, otherwise they may be categorized as Level 3. Restricted securities held in non-public entities are included in Level 3 of the fair value hierarchy because they trade infrequently, and, therefore, the inputs are unobservable.

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

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

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

U.S. government and agency securities. U.S. government and agency securities are normally valued using a model that incorporates market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers, quoted market prices, and reference data. Accordingly, U.S. government and agency securities are normally categorized in Level 1 or Level 2 of the fair value hierarchy depending on the liquidity and transparency of the market.

TCW Strategic Income Fund, Inc.

Notes to Financial Statements (Continued)

Note 1 Significant Accounting Policies (Continued)

The following is a summary of the inputs used as of December 31, 2012 in valuing the Fund's investments:

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Fixed Income Securities				