ENTERPRISE PRODUCTS PARTNERS L P
Form 8-K
February 11, 2005

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 11, 2005

ENTERPRISE PRODUCTS PARTNERS L.P.

(Exact name of registrant as specified in its charter)

Delaware	**1-14323**	**76-0568219**
(State or Other Jurisdiction of Incorporation or Organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

2727 North Loop West, Houston, Texas	**77008-1044**
(Address of Principal Executive Offices)	(Zip Code)

Registrant s Telephone Number, including Area Code: **(713) 880-6500**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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Explanatory Note

On February 11, 2005, Enterprise Products Partners L.P. (Enterprise) filed a Prospectus Supplement with the Securities and Exchange Commission pursuant to Rule 424(b)(5) of the Securities Act of 1933 (the Prospectus Supplement) relating to an offering of Common Units of Enterprise under Enterprise s registration statement on Form S-3 (reg. no. 333-102778). The Prospectus Supplement contains certain unaudited pro forma financial statements as of and for the nine months ended September 30, 2004 and the year ended December 31, 2003, as described in Item 9.01(b) below. Enterprise is filling these unaudited pro forma financial statements with this Form 8-K for the purpose of incorporating them by reference into Enterprise s currently effective registration statements.

Item 9.01. Financial Statements and Exhibits.

(a) Financial Statements of businesses acquired None

(b) Pro forma financial information See Annex A attached hereto

(c) Exhibits None

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

ENTERPRISE PRODUCTS PARTNERS L.P.

By: Enterprise Products GP, LLC,
its General Partner

Date: February 11, 2005

By: /s/ Michael J. Knesek
Name: Michael J. Knesek
Title: Vice President, Controller and Principal Accounting Officer of Enterprise Products GP, LLC

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Annex A

INDEX TO UNAUDITED PRO FORMA FINANCIAL STATEMENTS

Enterprise Products Partners L.P. Unaudited Pro Forma Condensed Consolidated Financial Statements:

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ENTERPRISE PRODUCTS PARTNERS L.P.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Introduction

The following unaudited pro forma condensed consolidated financial statements have been prepared to assist in the analysis of the financial effects of the transactions noted below. Unless the context requires otherwise, for purposes of this pro forma presentation, references to we, our, us, the Company or Enterprise are intended to mean the consolidated business and operations of Enterprise Products Partners L.P. References to Operating Partnership are intended to mean the consolidated business and operations of our primary operating subsidiary, Enterprise Products Operating L.P. References to GulfTerra are intended to mean the consolidated business and operations of GulfTerra Energy Partners, L.P. References to El Paso are intended to mean El Paso Corporation, its subsidiaries and affiliates. References to EPCO are intended to mean EPCO, Inc., an affiliate of the Company and our ultimate parent company.

The unaudited pro forma condensed consolidated financial statements give effect to the following transactions:

The completion of Enterprise s merger with GulfTerra and the related transactions on September 30, 2004 (the GulfTerra Merger Transactions). The GulfTerra Merger Transactions took place in three steps as described on page F-8.

The issuance by our Operating Partnership of $2 billion of senior unsecured notes on October 4, 2004. The net proceeds from this offering were used to reduce debt amounts outstanding under our $2.25 billion 364-Day Acquisition Credit Facility that was used to fund a portion of the purchase price at the closing of the GulfTerra Merger Transactions on September 30, 2004.

The completion on October 5, 2004 of our Operating Partnership s four cash tender offers for $915 million in principal amount of GulfTerra s senior and senior subordinated notes using $1.1 billion in cash borrowed under our $2.25 billion 364-Day Acquisition Credit Facility, which was placed in escrow on September 30, 2004.

The public sale of 17,250,000 common units in both May 2004 and August 2004 by Enterprise. In addition, Enterprise issued a total of 5,183,591 common units in connection with its distribution reinvestment plan (DRIP) during the first eleven months of 2004 (2,199,350 common units were issued in November 2004).

The conversion of the remaining outstanding 80 Series F2 convertible units, which were originally issued by GulfTerra, into 1,950,317 Enterprise common units in October and November 2004.

The unaudited pro forma as adjusted condensed consolidated financial statements also give effect to the sale of 15,000,000 of our common units to the public at an offering price of $27.05 per unit and the application of the net proceeds therefrom as described in Note(s) on page F-17.

The unaudited pro forma condensed statements of consolidated operations for the nine months ended September 30, 2004 and the year ended December 31, 2003 assume the pro forma transactions noted above occurred on January 1, 2003 (to the extent not already reflected in the historical statements of consolidated operations). The unaudited pro forma condensed consolidated balance sheet shows the financial effects of the pro forma transactions as if they had occurred on September 30, 2004 (to the extent not already recorded in the historical balance sheet).

Dollar amounts presented in the tabular data within these pro forma condensed consolidated financial statements and footnotes are stated in millions of dollars, unless otherwise indicated.

The unaudited pro forma condensed consolidated financial statements and related pro forma information are based on assumptions that Enterprise believes are reasonable under the circumstances and are intended for informational purposes only. They are not necessarily indicative of the financial results that would have occurred if the transactions described herein had taken place on the dates indicated, nor are they indicative of the future consolidated results of the combined company.

The unaudited pro forma condensed consolidated financial statements of Enterprise should be read in conjunction with and are qualified in their entirety by reference to the notes accompanying such unaudited pro forma condensed consolidated financial statements and with the historical consolidated financial statements and related notes of Enterprise included in its 2003 Annual Report filed on Form 8-K with the Securities and Exchange Commission (the Commission) on December 6, 2004 and its Quarterly Report on Form 10-Q for the three and nine months ended September 30, 2004.

The condensed consolidated financial statements of GulfTerra included herein are qualified in their entirety by reference to the historical consolidated financial statements and related notes of GulfTerra for the year ended December 31, 2003 and for the three and nine months ended September 30, 2004, contained in Enterprise s Current Report on Form 8-K filed with the Commission on April 20, 2004 and Current Report on Form 8-K/ A (Amendment No. 5) filed with the Commission on December 27, 2004, respectively.

The combined financial statements for the year ended December 31, 2003 of El Paso Hydrocarbons, L.P. and El Paso NGL Marketing Company, L.P. (collectively, the South Texas midstream assets) included herein are qualified in their entirety by reference to the historical combined financial statements and related notes of the South Texas midstream assets included in Enterprise s Current Report on Form 8-K filed with the Commission on April 16, 2004. The combined financial statements of the South Texas midstream assets for the eight months ended August 31, 2004 included herein were derived from the historical accounts and records of these entities.

Divestiture of Assets Required for FTC Approval of the GulfTerra Merger Transactions

In connection with the GulfTerra Merger Transactions, we are required under a consent decree published for comment by the FTC on September 30, 2004 to sell our 50% interest in an entity which owns the Stingray natural gas pipeline and related gathering pipelines and dehydration and other facilities located in south Louisiana and the Gulf of Mexico offshore Louisiana. The $37.2 million carrying value of this investment was classified under Assets Held for Sale on our Unaudited Condensed Consolidated Balance Sheet at September 30, 2004. Enterprise recognized approximately $3 million in equity earnings from this investment for both the nine months ended September 30, 2004 and the year ended December 31, 2003. We are required to sell this investment by March 31, 2005. We have entered into a contract with a third party to sell this investment. We expect this sale to occur in the first quarter of 2005. The sale requires Federal Trade Commission approval under the terms of the consent decree relating to the GulfTerra Merger Transactions and is subject to other customary closing conditions.

We expect the proceeds from the sale of this investment will exceed the carrying value of this investment. For purposes of pro forma presentation, we have not estimated the proceeds from this sale and therefore, our pro forma statements of operations do not reflect any net gain or loss. In addition, our pro forma statements of operations do not reflect the removal of equity earnings from this investment due to the insignificant effect on the pro forma results of operations.

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ENTERPRISE PRODUCTS PARTNERS L.P.

UNAUDITED PRO FORMA CONDENSED STATEMENT OF CONSOLIDATED OPERATIONS

For the Nine Months Ended September 30, 2004

	Enterprise Historical	GulfTerra Historical	South Texas Midstream Assets Historical	Pro Forma Adjustments	Enterprise Pro Forma	Adjustments Due to this Offering	Adjusted Enterprise Pro Forma
REVENUES	$5,458.5	$676.7	$1,103.2	$(426.6)(m)	$6,752.4		$6,752.4
				(59.4)(q)			
COSTS AND EXPENSES							
Operating costs and expenses	5,226.4	432.3	1,058.3	103.2(k)	6,272.8		6,272.8
				(20.0)(l)			
				(421.5)(m)			
				(46.5)(p)			
				(59.4)(q)			
Selling, general and administrative	26.6			46.5(p)	73.1		73.1
Total	5,253.0	432.3	1,058.3	(397.7)	6,345.9		6,345.9
EQUITY IN INCOME (LOSS) OF UNCONSOLIDATED AFFILIATES	42.2			(32.0)(n)	17.8		17.8
				7.6(p)			
OPERATING INCOME	247.7	244.4	44.9	(112.7)	424.3		424.3
OTHER INCOME (EXPENSE)							
Interest expense	(96.9)	(82.7)		5.1(a)	(186.2)	$10.1(s)	(176.1)
				(42.6)(g)			
				(28.4)(h)			
				3.0(i)			
				56.3(j)			
Loss due to early redemptions of debt		(16.3)			(16.3)		(16.3)
Earnings from unconsolidated affiliates		7.6		(7.6)(p)			
Other, net	0.9	0.5	(0.1)	1.2(o)	2.5		2.5
Total	(96.0)	(90.9)	(0.1)	(13.0)	(200.0)	10.1	(189.9)
PROVISION FOR INCOME TAXES	(2.7)				(2.7)		(2.7)
MINORITY INTEREST	(6.9)	1.8			(5.1)		(5.1)
INCOME FROM CONTINUING OPERATIONS	$ 142.1	$155.3	$ 44.8	$(125.7)	$ 216.5	$10.1	$ 226.6
INCOME ALLOCATION:							
Limited partners	$ 120.2				$ 181.8		$ 190.4
General partner	$ 21.9				$ 34.7		$ 36.2
BASIC EARNINGS PER UNIT:							
Number of units used in denominator	232.7			23.2(a)	364.2	15.0(s)	379.2

		2.0(b)			
		2.2(c)			
		104.1(f)			
Income from continuing operations	$ 0.52		$ 0.50		$ 0.50
DILUTED EARNINGS PER UNIT:					
Number of units used in denominator	233.2	23.2(a)	364.7	15.0(s)	379.7
		2.0(b)			
		2.2(c)			
		104.1(f)			
Income from continuing operations	$ 0.52		$ 0.50		$ 0.50

See Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements.

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ENTERPRISE PRODUCTS PARTNERS L.P.

UNAUDITED PRO FORMA CONDENSED STATEMENT OF CONSOLIDATED OPERATIONS

For the Year Ended December 31, 2003

	Enterprise Historical	GulfTerra Historical	South Texas Midstream Assets Historical	Pro Forma Adjustments	Enterprise Pro Forma	Adjustments Due to this Offering	Adjusted Enterprise Pro Forma
REVENUES	$5,346.4	$ 871.5	$1,430.7	$(431.9)(m)	$7,153.0		$7,153.0
				(63.7)(q)			
COSTS AND EXPENSES							
Operating costs and expenses	5,046.8	557.0	1,423.2	153.0(k)	6,633.1		6,633.1
				(1.5)(l)			
				(427.2)(m)			
				(54.5)(p)			
				(63.7)(q)			
Selling, general and administrative	37.5			54.5(p)	92.0		92.0
Total	5,084.3	557.0	1,423.2	(339.4)	6,725.1		6,725.1
EQUITY IN INCOME (LOSS) OF UNCONSOLIDATED AFFILIATES	(14.0)			11.4(p)	(2.6)		(2.6)
OPERATING INCOME	248.1	314.5	7.5	(144.8)	425.3		425.3
OTHER INCOME (EXPENSE)							
Interest expense	(140.8)	(127.8)		16.0(a)	(284.2)	$13.5(s)	(270.7)
				(10.5)(e)			
				(62.3)(g)			
				(37.7)(h)			
				3.9(i)			
				75.0(j)			
Loss due to early redemptions of debt		(36.9)			(36.9)		(36.9)
Earnings from unconsolidated affiliates		11.4		(11.4)(p)			
Other, net	6.4	1.1	0.1	0.8(o)	8.4		8.4
Total	(134.4)	(152.2)	0.1	(26.2)	(312.7)	13.5	(299.2)
PROVISION FOR INCOME TAXES	(5.3)				(5.3)		(5.3)
MINORITY INTEREST	(3.9)	(0.9)		0.9(d)	(3.9)		(3.9)
INCOME FROM CONTINUING OPERATIONS	$ 104.5	$ 161.4	$ 7.6	$(170.1)	$ 103.4	$13.5	$ 116.9
INCOME ALLOCATION:							
Limited partners	$ 83.8				$ 67.1		$ 78.9
General partner	$ 20.7				$ 36.3		$ 38.0
BASIC EARNINGS PER UNIT:							
Number of units used in denominator	199.9			37.5(a)	350.3	15.0(s)	365.3

		2.0(b)			
		2.2(c)			
		4.2(e)			
		104.5(f)			
Income from continuing operations	$ 0.42		$ 0.19		$ 0.22
DILUTED EARNINGS PER UNIT:					
Number of units used in denominator	206.4	37.5(a)	356.8	15.0(s)	371.8
		2.0(b)			
		2.2(c)			
		4.2(e)			
		104.5(f)			
Income from continuing operations	$ 0.41		$ 0.19		$ 0.21

See Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements.

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ENTERPRISE PRODUCTS PARTNERS L.P.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET

September 30, 2004

	Enterprise Historical	Pro Forma Adjustments	Enterprise Pro Forma	Adjustments Due to this Offering	Adjusted Enterprise Pro Forma
ASSETS					
Current Assets					
Cash and cash equivalents	$ 146.6	$ 39.6(b)	$ 234.0	$ 414.0(s)	$ 234.0
		49.3(c)		(17.2)(s)	
		1,984.5(h)		(396.8)(s)	
		(1,984.5)(h)			
		(1.5)(r)			
Restricted cash, including $1.1 billion held in escrow for tender offers	1,116.9	(1,073.3)(j)	43.6		43.6
Accounts and notes receivable, net	828.7	3.7(r)	832.4		832.4
Inventories	327.0	1.9(r)	328.9		328.9
Assets held for sale	37.2		37.2		37.2
Other current assets	72.3	(8.5)(r)	63.8		63.8
Total Current Assets	2,528.7	(988.8)	1,539.9		1,539.9
Property, plant and equipment, net	7,723.7	(10.4)(r)	7,713.3		7,713.3
Investments in and Advances to Unconsolidated Affiliates	464.3	(6.6)(r)	457.7		457.7
Intangible Assets, net	961.9	29.5(r)	991.4		991.4
Goodwill	445.9	16.8(r)	462.7		462.7
Other Assets	58.9		58.9		58.9
Total Assets	$ 12,183.4	$ (959.5)	$ 11,223.9	$	$ 11,223.9
LIABILITIES & PARTNERS EQUITY					
Current Liabilities					
Current maturities of debt	$ 607.2		$ 607.2	(265.5)(s)	$ 341.7
Accounts payable	107.7		107.7		107.7
Accrued gas payables	921.1	$ 11.2(r)	932.3		932.3
Other current liabilities	180.1	(25.9)(j)	162.5		162.5
		8.3(r)			
Total Current Liabilities	1,816.1	(6.4)	1,809.7	(265.5)	1,544.2
Long-Term Debt	4,972.2	1,984.5(h)	3,924.8	(131.3)(s)	3,793.5
		(1,984.5)(h)			
		(1,047.4)(j)			
Other Long-Term Liabilities	54.2	5.4(r)	59.6		59.6
Minority Interest	61.3		61.3		61.3
Commitments and Contingencies					
Partners Equity					
Limited Partners	5,164.4	38.8(b)	5,251.5	388.9(s)	5,640.4
		48.3(c)			
General Partner	105.4	0.8(b)	107.2	7.9(s)	115.1
		1.0(c)			
Accumulated other comprehensive income	24.1		24.1		24.1

	Other	(14.3)		(14.3)		(14.3)	
	Total Combined Equity	5,279.6	88.9	5,368.5	396.8	5,765.3	
	Total Liabilities & Combined Equity	$ 12,183.4	$ (959.5)	$ 11,223.9	$	$ 11,223.9&nb	111,515
10,622	Entergy Corp.	823,418					
	Total Electric Utilities	934,933					
	Electronic Equipment, Instruments & Components (0.1%)						
6,380	Tyco Electronics, Ltd.	118,604					
	Energy Equipment & Services (0.0%)						
1,700	Baker Hughes, Inc.	61,948					
	Food & Staples Retailing (0.1%)						
2,550	CVS Caremark Corp.	81,269					
	Food Products (0.1%)						
400	Kellogg Co.	18,628					
5,860	Kraft Foods, Inc., Class A	148,492					
10,380	Sara Lee Corp.	101,309					
	Total Food Products	268,429					

See accompanying notes to financial statements.

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TCW Strategic Income Fund, Inc.

Schedule of Investments (Unaudited) (Continued)

Number of Shares	Common Stock	Value
	Health Care Equipment & Supplies (0.0%)	
6,570	Boston Scientific Corp. (6)	$ 66,620
	Health Care Providers & Services (0.0%)	
12,600	Tenet Healthcare Corp. (6)	35,532
	Household Durables (0.1%)	
8,428	Lennar Corp., Class A	81,667
	Household Products (0.1%)	
3,150	Kimberly-Clark Corp.	165,155
	Industrial Conglomerates (0.1%)	
6,530	General Electric Co.	76,532
3,980	Tyco International, Ltd.	103,400
	Total Industrial Conglomerates	179,932
	Insurance (0.1%)	
4,030	Travelers Cos., Inc. (The)	165,391
	Leisure Equipment & Products (0.1%)	
6,690	Mattel, Inc.	107,375
	Life Sciences Tools & Services (0.0%)	
610	Thermo Fisher Scientific, Inc. (6)	24,870
	Media (0.1%)	
5,620	Comcast Corp., Class A	81,434
9,680	Regal Entertainment Group, Class A	128,647
1,726	Time Warner, Inc.	43,478
	Total Media	253,559
	Metals & Mining (0.0%)	
2,210	United States Steel Corp.	78,985
	Oil, Gas & Consumable Fuels (0.3%)	
1,400	Anadarko Petroleum Corp.	63,546
1,080	BP PLC (SP ADR)	51,494
2,700	Chevron Corp.	178,875
1,050	Devon Energy Corp.	57,225
3,120	Marathon Oil Corp.	94,006

2,820	Valero Energy Corp.	47,630
	Total Oil, Gas & Consumable Fuels	492,776
	Paper & Forest Products (0.1%)	
2,980	Avery Dennison Corp.	76,526
5,670	MeadWestvaco Corp.	93,045
	Total Paper & Forest Products	169,571

See accompanying notes to financial statements.

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TCW Strategic Income Fund, Inc.

June 30, 2009

Number of Shares	Common Stock	Value
	Personal Products (0.0%)	
1,870	Estee Lauder Cos., Inc. (The), Class A	$ 61,093
	Pharmaceuticals (0.2%)	
4,800	Bristol-Myers Squibb Co.	97,488
9,440	Pfizer, Inc.	141,600
4,070	Watson Pharmaceuticals, Inc. (6)	137,118
	Total Pharmaceuticals	376,206
	Real Estate Investment Trusts (REITs) (0.0%)	
2,280	Annaly Capital Management, Inc.	34,519
	Road & Rail (0.0%)	
300	CSX Corp.	10,389
	Semiconductors & Semiconductor Equipment (0.1%)	
1,860	Analog Devices, Inc.	46,091
6,660	Intel Corp.	110,223
2,560	KLA-Tencor Corp.	64,640
931	LSI Corp. (6)	4,245
	Total Semiconductors & Semiconductor Equipment	225,199
	Software (0.0%)	
3,290	CA, Inc.	57,345
	Specialty Retail (0.1%)	
7,160	Gap, Inc. (The)	117,424
4,500	Home Depot, Inc. (The)	106,335
	Total Specialty Retail	223,759
	Thrifts & Mortgage Finance (0.0%)	
6,640	New York Community Bancorp, Inc.	70,982
	Total Common Stock (Cost: $ 7,424,769) (3.1%)	5,963,891

See accompanying notes to financial statements.

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TCW Strategic Income Fund, Inc.

Schedule of Investments (Unaudited) (Continued)

Principal Amount	Short-Term Investments (3.7%)	Value
$ 7,026,548	Repurchase Agreement, State Street Bank & Trust Company, 0.01%, due 07/01/09 (collateralized by $7,170,000, U.S. Treasury Bill, 0.18%, due 08/20/09, valued at $7,168,566) (Total Amount to be Received Upon Repurchase $7,026,549)	$ 7,026,548
	Total Short-Term Investments (Cost: $7,026,548)	7,026,548
	Total Investments (cost $259,388,125) (132.5%)	252,184,518
	Liabilities in Excess of Other Assets (32.5%)	(61,839,082)
	Net Assets (100.0%)	$ 190,345,436

Notes to Schedule of Investments:

(1) Illiquid security.
(2) Floating or variable rate security. The interest shown reflects the rate in effect at June 30, 2009.
(3) Security exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At June 30, 2009, the value of these securities amounted to $7,023,467 or 3.7% 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.
(4) Restricted security (Note 7).
(5) As of June 30, 2009, security is not accruing interest.
(6) Non-income producing security.
(7) Represents number of preferred shares.
(8) Fair valued security (Note 1).
(9) Represents original acquisition cost prior to recognition of impairment in security.

CDO - Collateralized Debt Obligation.
CLO - Collateralized Loan Obligation.
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.
P/O - Principal Only Security.
SP ADR - Sponsored American Depositary Receipt. Shares of a foreign based corporation held in U.S. banks that are issued with the cooperation of the company whose stock underlie the ADR and entitles the shareholder to all dividends, capital gains and voting rights.
TAC - Target Amortization Class.

See accompanying notes to financial statements.

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TCW Strategic Income Fund, Inc.

Investments by Industry (Unaudited) June 30, 2009

Industry	Percentage of Net Assets
Private Mortgage-Backed Securities	66.1%
U.S. Government Agency Obligations	52.3
Real Estate	1.0
Electric Utilities	0.9
Banking	0.8
Oil & Gas	0.7
Oil, Gas & Consumable Fuels	0.6
Pharmaceuticals	0.5
Electronics	0.5
Collateralized Debt Obligations	0.5
Commercial Services	0.5
Healthcare Providers	0.4
Insurance	0.4
Transportation	0.4
Media	0.3
Road & Rail	0.3
Food Products	0.2
Diversified Telecommunication Services	0.2
Computers & Peripherals	0.2
Asset-Backed Securities	0.1
Medical Supplies	0.1
Metals	0.1
Diversified Financial Services	0.1
Semiconductors & Semiconductor Equipment	0.1
Specialty Retail	0.1
Industrial Conglomerates	0.1
Paper & Forest Products	0.1
Household Products	0.1

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

Industry	Percentage of Net Assets
Financial Services	0.1%
Communications	0.1
Chemicals	0.1
Containers & Packaging	0.1
Retailers	0.1
Electronic Equipment, Instruments and Components	0.1
Capital Markets	0.1
Leisure Equipment & Products	0.1
Communications Equipment	0.1
Household Durables	0.1
Food & Staples Retailing	0.1
Metals & Mining	0.0*
Commercial Services & Supplies	0.0*
Thrifts & Mortgage Finance	0.0*

Aerospace & Defense	0.0*
Health Care Equipment & Supplies	0.0*
Energy Equipment & Services	0.0*
Personal Products	0.0*
Software	0.0*
Diversified Consumer Services	0.0*
Health Care Providers & Services	0.0*
Real Estate Investment Trusts (REITs)	0.0*
Consumer Finance	0.0*
Life Sciences Tools & Services	0.0*
Short-Term Investments	3.7
Total	132.5%

See accompanying notes to financial statements.

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TCW Strategic Income Fund, Inc.

Statement of Assets and Liabilities (Unaudited) June 30, 2009

ASSETS:	
Investments, at Value (Cost: $259,388,125)	$ 252,184,518
Cash	6
Receivable for Securities Sold	39,960
Interest and Dividends Receivable	2,207,145
Total Assets	254,431,629
LIABILITIES:	
Payables for Borrowings	58,600,000
Distributions Payable	3,023,234
Payables for Securities Purchased	2,042,128
Interest Payable on Borrowings	187,719
Accrued Investment Advisory Fees	122,659
Accrued Other Expenses	82,462
Accrued Directors Fees and Expenses	26,916
Accrued Compliance Expense	1,075
Total Liabilities	64,086,193
NET ASSETS	$ 190,345,436
NET ASSETS CONSIST OF:	
Common Stock, par value $0.01 per share (75,000,000 shares authorized, 47,609,979 shares issued and outstanding)	$ 476,100
Paid-in capital	293,480,932
Accumulated Net Realized Loss on Investments	(106,438,709)
Undistributed Net Investment Income	10,030,720
Net Unrealized Depreciation on Investments	(7,203,607)
NET ASSETS	$ 190,345,436
NET ASSET VALUE PER SHARE	$ 4.00
MARKET PRICE PER SHARE	$ 3.62

See accompanying notes to financial statements.

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TCW Strategic Income Fund, Inc.

Statement of Operations (Unaudited)

	Six Months Ended June 30, 2009
INVESTMENT INCOME:	
Income	
Interest	$ 21,413,663
Dividends (net of foreign withholding of taxes of $8)	458,377
Total Investment Income	21,872,040
Expenses	
Investment Advisory Fees	711,248
Interest Expense	333,308
Audit and Tax Service Fees	49,589
Directors Fees and Expenses	42,470
Proxy Expense	39,238
Legal Fees	39,020
Printing and Distribution Costs	28,176
Transfer Agent Fees	27,176
Listing Fees	21,957
Administration Fees	18,046
Miscellaneous	17,585
Custodian Fees	16,442
Compliance Expense	15,124
Accounting Fees	13,476
Insurance Expense	5,729
Total Expenses	1,378,584
Net Investment Income	20,493,456
NET REALIZED LOSS AND CHANGE IN UNREALIZED APPRECIATION ON INVESTMENTS:	
Net Realized Loss on Investments	(12,430,688)
Change in Unrealized Appreciation on Investments	14,920,831
Net Realized Loss and Changes in Unrealized Appreciation on Investments	2,490,143
INCREASE IN NET ASSETS FROM OPERATIONS	$ 22,983,599

See accompanying notes to financial statements.

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TCW Strategic Income Fund, Inc.

Statements of Changes in Net Assets

	Six Months Ended June 30, 2009 (Unaudited)	Year Ended December 31, 2008
INCREASE (DECREASE) IN NET ASSETS:		
OPERATIONS:		
Net Investment Income	$ 20,493,456	$ 24,964,219
Net Realized Loss on Investments	(12,430,688)	(53,669,239)
Change in Unrealized Appreciation on Investments	14,920,831	16,903,425
Increase (Decrease) in Net Assets Resulting from Operations	22,983,599	(11,801,595)
DISTRIBUTIONS TO SHAREHOLDERS:		
From Net Investment Income	(6,046,468)	(18,091,795)
Total Increase (Decrease) in Net Assets	16,937,131	(29,893,390)
NET ASSETS:		
Beginning of Period	173,408,305	203,301,695
End of Period	$ 190,345,436	$ 173,408,305
Undistributed (Distributions in Excess of) Net Investment Income	$ 10,030,720	$ (4,416,268)

See accompanying notes to financial statements.

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TCW Strategic Income Fund, Inc.

Statement of Cash Flows (Unaudited)

	Six Months Ended June 30, 2009
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net Increase in Net Assets From Operations	$ 22,983,599
Adjustments to Reconcile Net Increase in Net Assets Resulting From Operations to Net Cash Provided by Operating Activities:	
Investments Purchased	(56,370,555)
Investments Sold	36,370,423
Net Decrease in Short-Term Investments	9,909,844
Net Amortization/Accretion of Premium/(Discount)	(61,977)
Increase in Interest and Dividends Receivable	(324,240)
Increase in Accrued Directors Fees and Expenses	3,971
Increase in Accrued Compliance Expense	568
Increase in Accrued Investment Advisory Fees	2,311
Decrease in Interest Payable on Borrowings	(2,717)
Decrease in Other Accrued Expenses	(118,297)
Realized and Unrealized (Gain)/Loss on Investments	(2,490,143)
Net Cash Provided by Operating Activities	9,902,787
CASH FLOWS USED IN FINANCING ACTIVITIES:	
Distributions to Shareholders	(10,402,781)
Increase in Borrowings	500,000
Net Cash Used in Financing Activities	(9,902,781)
Net Change in Cash	6
Cash at Beginning of Period	
Cash at End of Period	$ 6
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:	
Interest paid during the year	$ 336,025

See accompanying notes to financial statements.

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TCW Strategic Income Fund, Inc.

Notes to Financial Statements (Unaudited)

Note 1 Significant Accounting Policies:

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

The preparation of the accompanying financial statements requires management to make estimates and assumptions that affect the reported amounts 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 those estimates.

The following is a summary of the significant accounting policies consistently followed by the Fund in the preparation of its financial statements. The policies are in conformity with accounting principles generally accepted in the United States of America.

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

The Fund invests in asset-backed securities and collateralized debt obligations securities, which are valued based on prices supplied by dealers who make markets in such securities. However, such markets have become illiquid, and therefore, the value of these securities may differ from the realized values had a liquid market existed for these investments, and the differences could be material. At June 30, 2009, the total value of these securities amount to $1,101,622 or 0.6% of the Fund s net assets.

The Fund invests a portion of its assets in below-investment grade debt securities, including asset-backed securities and collateralized debt obligations. The value and related income of these securities is sensitive to changes in economic conditions, including delinquencies and/or defaults. Recent instability in the markets for fixed-income securities, particularly securities with sub-prime exposure, has resulted in increased volatility of market prices and periods of illiquidity that have adversely impacted the valuation of certain securities held by the Fund.

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. At June 30, 2009, thirteen securities were fair valued at $318,949 or 0.2% of the Fund s net assets.

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TCW Strategic Income Fund, Inc.

June 30, 2009

The Fund adopted Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards No. 157, *Fair Value Measurements (FAS 157)*, effective January 1, 2008. FAS 157 defines fair values 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. FAS 157 established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs and 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 for example, the risk inherent in a particular valuation technique used to measure fair value including a pricing model and/or the risk inherent in the inputs to the valuation technique. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity s own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized in the three broad Levels listed below.

Level 1 quoted prices in active markets for identical investments

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

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

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.

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.

The Fund also adopted FASB Staff Position No. 157-4, *Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly* (FSP 157-4), effective January 1, 2009. FSP 157-4 provides additional guidance for estimating fair value in accordance with FAS 157 when the volume and level of activity for the asset or liability have significantly decreased as well as guidance for identifying circumstances that indicate a transaction is not orderly.

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TCW Strategic Income Fund, Inc.

Notes to Financial Statements (Unaudited) (Continued)

Note 1 Significant Accounting Policies: (Continued)

The following is a summary of the inputs used as of June 30, 2009 in valuing the Fund s investments:

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Fixed Income Securities				
Asset Backed Securities	$	$	$ 245,315	$ 245,315
Collateralized Debt Obligations			856,307	856,307
Collateralized Mortgage Obligations				
Private Mortgage-Backed Securities		125,753,182		125,753,182
U.S. Government Agency Obligations		99,581,024		99,581,024
Total Collateralized Mortgage Obligations		225,334,206		225,334,206
Total Fixed Income Securities		225,334,206	1,101,622	226,435,828
Convertible Securities				
Convertible Corporate Bonds				
Banking		1,471,489		1,471,489
Commercial Services		685,512		685,512
Communications		149,890		149,890
Electronics		1,021,845		1,021,845
Healthcare Providers		827,235		827,235
Medical Supplies		280,800		280,800
Metals		269,175		269,175
Oil & Gas		1,283,249		1,283,249
Pharmaceuticals		429,739		429,739
Real Estate		1,837,609		1,837,609
Retailers		127,575		127,575
Total Convertible Corporate Bonds		8,384,118		8,384,118
Convertible Preferred Stocks				
Commercial Services		207,860		207,860

Electric Utilities	705,045		705,045
Financial Services	160,557		160,557
Food Products	215,291		215,291
Insurance	623,307		623,307
Media	414,200		414,200
Oil, Gas & Consumable Fuels	540,480		540,480
Pharmaceuticals	284,262		284,262
Road & Rail	496,815		496,815
Transportation	726,316		726,316
Total Convertible Preferred Stocks	4,166,273	207,860	4,374,133
Total Convertible Securities	4,166,273	8,591,978	12,758,251

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TCW Strategic Income Fund, Inc.

June 30, 2009

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Common Stock				
Aerospace & Defense	$ 70,336	$	$	$ 70,336
Capital Markets	117,501			117,501
Chemicals	136,042			136,042
Commercial Services & Supplies	77,440			77,440
Communications Equipment	87,582			87,582
Computers & Peripherals	320,834			320,834
Consumer Finance	29,747			29,747
Containers & Packaging	129,438			129,438
Diversified Consumer Services	51,001			51,001
Diversified Financial Services	248,513			248,513
Diversified Telecommunication Services	349,349			349,349
Electric Utilities	934,933			934,933
Electronic Equipment, Instruments & Components	118,604			118,604
Energy Equipment & Services	61,948			61,948
Food & Staples Retailing	81,269			81,269
Food Products	268,429			268,429
Health Care Equipment & Supplies	66,620			66,620
Health Care Providers & Services	35,532			35,532
Household Durables	81,667			81,667
Household Products	165,155			165,155
Industrial Conglomerates	179,932			179,932
Insurance	165,391			165,391
Leisure Equipment & Products	107,375			107,375
Life Sciences Tools & Services	24,870			24,870
Media	253,559			253,559
Metals & Mining	78,985			78,985
Oil, Gas & Consumable Fuels	492,776			492,776
Paper & Forest Products	169,571			169,571
Personal Products	61,093			61,093
Pharmaceuticals	376,206			376,206
Real Estate Investment Trusts (REITs)	34,519			34,519
Road & Rail	10,389			10,389
Semiconductors & Semiconductor Equipment	225,199			225,199
Software	57,345			57,345
Specialty Retail	223,759			223,759
Thrifts & Mortgage Finance	70,982			70,982
Total Common Stock	5,963,891			5,963,891

Total Investments	10,130,164	233,926,184	1,101,622	245,157,970
Short-Term Investment				
Short-Term Investment		7,026,548		7,026,548
Total	$ 10,130,164	$ 240,952,732	$ 1,101,622	$ 252,184,518

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TCW Strategic Income Fund, Inc.

Notes to Financial Statements (Unaudited) (Continued)

Note 1 Significant Accounting Policies: (Continued)

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

Investments in Securities	Balance as of 12/31/08	Accrued Discounts (Premiums)	Realized Gain/Loss and Change in Unrealized Appreciation/ Depreciation	Net Purchases (Sales)	Net Transfers in and/or Out of Level 3	Balance as of 06/30/09	Net Change in Unrealized Appreciation/ (Depreciation) from Investments Still Held as of 06/30/09
Asset Backed Securities	$ 426,763	$ 0	$ 1,553,637	$ (1,735,085)	$ 0	$ 245,315	$ 12,235,248
Collateralized Debt Obligations	5,027,235	0	(4,347,149)	176,221	0	856,307	
Total	$ 5,453,998	$ 0	$ (2,793,512)	$ (1,558,864)	$ 0	$ 1,101,622	$ 12,235,248

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

For certain lower credit quality securitized assets that have contractual cash flows (primarily collateralized debt obligation) but the cash flows have changed based on an evaluation of current information, the estimated yield is adjusted on a prospective basis over the remaining life of the security.

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

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

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TCW Strategic Income Fund, Inc.

June 30, 2009

Note 2 Federal Income Taxes:

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

At June 30, 2009, net unrealized depreciation for federal income tax purposes is comprised of the following components:

Appreciated securities	$ 30,598,651
Depreciated securities	(37,804,596)
Net unrealized depreciation	$ (7,205,945)
Cost of securities for federal income tax purposes	$ 259,390,463

The Fund is subject to the provisions of FASB Interpretation No. 48 (FIN 48) *Accounting for Uncertainty in Income Taxes an interpretation of FASB Statement No. 109*. FIN 48 sets forth a minimum threshold for financial statement recognition of the benefit of a tax position taken or expected to be taken in a tax return. The Fund did not have any unrecognized tax benefits at June 30, 2009, nor were there any increases or decreases in unrecognized tax benefits for the period then ended; and therefore no interest or penalties were accrued. The Fund is subject to examination by U.S. federal and state tax authorities for returns filed for the prior three and four fiscal years, respectively.

Note 3 Investment Advisory and Service Fees:

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

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

Note 4 Purchases and Sales of Securities:

For the six months ended June 30, 2009, purchases and sales or maturities of investment securities (excluding short-term investments) aggregated $53,538,405 and $22,388,213, respectively, for non-U.S. Government Securities and aggregated $3,006,375 and $8,571,612, respectively, for U.S. Government Securities.

Note 5 Security Lending:

The Fund can lend securities to brokers. The brokers must provide collateral, which must be maintained at not less than 100% of the value of the loaned securities, to secure the obligation. The Fund receives income, net of broker fees, by investing the collateral. The Fund did not lend securities anytime during the six months ended June 30, 2009.

Note 6 Directors Fees:

Directors who are not affiliated with the Advisor received, as a group, fees and expenses of $42,470 from the Fund for the six months ended June 30, 2009. Certain Officers and/or Directors of the Fund are also Officers and/or Directors of the Advisor.

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TCW Strategic Income Fund, Inc.

Notes to Financial Statements (Unaudited) (Continued)

Note 7 Restricted Securities:

The Fund is permitted to invest in securities that are subject to legal or contractual restrictions on resale. These securities may be resold in transactions exempt from registration or to the public if the securities are registered. Disposal of these securities may involve time consuming negotiations and expense, and prompt sale at an acceptable price may be difficult. There were no restricted securities (excluding Rule 144A issues) at June 30, 2009. However, certain 144A securities were deemed illiquid as of June 30, 2009 and therefore were considered restricted. Aggregate cost and fair value of such securities held at June 30, 2009 were as follows:

	Aggregate Cost	Aggregate Value	Value as a Percentage of Fund s Net Assets
Total of Restricted Securities	$ 7,037,504	$ 2,327,548	1.2%

Note 8 Loan Outstanding:

The Fund is permitted to have borrowings for investment purposes. The Fund has entered into a line of credit agreement with The Bank of New York Mellon which permits the Fund to borrow up to $60 million at a rate, per annum, equal to the Federal Funds Rate plus 1.00%. The average daily loan balance during the period for which loans were outstanding amounted to $58,503,315, and the weighted average interest rate was 1.15%. Interest expense for the line of credit was $333,308 for the six months ended June 30, 2009. The maximum outstanding loan balance during the six months ended June 30, 2009 was $58,600,000 and is the same balance at June 30, 2009.

Note 9 Indemnifications:

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

Note 10 Subsequent Events:

In accordance with the provisions set forth in FASB SFAS No. 165 *Subsequent Events*, adopted by the Fund as of June 30, 2009, the Advisor has evaluated the possibility of subsequent events existing in the Fund s financial statements through August 17, 2009. The Advisor has determined that there are no material events that would require disclosure in the Fund s financial statement through this date.

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TCW Strategic Income Fund, Inc.

Financial Highlights

	Six Months Ended June 30, 2009 (Unaudited)	Year Ended December 31, 2008	2007	2006	2005	2004
Net Asset Value Per Share, Beginning of Period	$ 3.64	$ 4.27	$ 5.60	$ 5.35	$ 5.78	$ 5.62
Income from Operations:						
Net Investment Income (1)	0.43	0.52	0.38	0.30	0.21	0.20
Net Realized and Unrealized Gain (Loss) on Investments	0.06	(0.77)	(1.28)	0.33	(0.25)	0.19
Total from Investment Operations	0.49	(0.25)	(0.90)	0.63	(0.04)	0.39
Less Distributions:						
Distributions from Net Investment Income	(0.13)	(0.38)	(0.43)	(0.38)	(0.40)	(0.24)
Capital Activity:						
Impact to Capital for Shares Issued						(2)
Impact to Capital for Shares Repurchased					0.01	0.01
Total From Capital Activity					0.01	0.01
Net Asset Value Per Share, End of Period	$ 4.00	$ 3.64	$ 4.27	$ 5.60	$ 5.35	$ 5.78
Market Value Per Share, End of Period	$ 3.62	$ 3.07	$ 3.67	$ 5.11	$ 4.69	$ 5.36
Total Investment Return (3)	22.28% (4)	(6.32)%	(20.70)%	17.50%	(5.17)%	13.02%
Net Asset Value Total Return (5)	13.58% (4)	(6.03)%	(16.54)%	12.16%	(0.36)%	7.23%
Ratios/Supplemental Data:						
Net Assets, End of Period (in thousands)	$ 190,345	$ 173,408	$ 203,302	$ 266,518	$ 254,924	$ 280,873
Ratio of Expenses Before Interest Expense to Average Net Assets	1.18% (6)	1.10%	0.86%	1.00%	0.89%	0.90%
Ratio of Interest Expense to Average Net Assets	0.38% (6)	0.65%	0.32%	0.55%	%	%
Ratio of Total Expenses to Average Net Assets	1.56% (6)	1.75%	1.18%	1.55%	0.89%	0.90%

Ratio of Net Investment Income to Average Net Assets	23.16% (6)	12.89%	7.60%	5.52%	3.73%	3.51%
Portfolio Turnover Rate	13.31% (4)	42.44%	74.98%	174.33%	56.04%	91.35%

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

(2) Impact from reclassification of $114,359 from other accrued expenses to paid-in capital is less than $0.01. The Fund reclassified the amount in 2004 in that the estimated liabilities related to the Fund s last rights offering are no longer required.

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

(4) For the six months ended June 30, 2009 and not indicative of a full year s results.

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

(6) Annualized.

See accompanying notes to financial statements.

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TCW Strategic Income Fund, Inc.

Supplemental Information

Proxy Voting Guidelines

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

Disclosure of Proxy Voting Guidelines

The proxy voting guidelines of the Advisor are available:

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

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

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

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

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

Availability of Quarterly Portfolio Schedule

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

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

Corporate Governance Listing Standards

In accordance with Section 303A.12 (a) of the New York Stock Exchange Listed Company Manual, the Fund s Annual CEO Certification certifying compliance with NYSE s Corporate Governance Listing Standards was submitted to the Exchange on October 30, 2008.

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TCW Strategic Income Fund, Inc.

Approval of Advisory and Management Agreement

TCW Strategic Income Fund, Inc. (the ***Fund***) and TCW Investment Management Company (the ***Advisor***) are parties to an Investment Advisory and Management Agreement (***Advisory Agreement***), pursuant to which the Advisor is responsible for managing the investments of the Fund. At a meeting held on June 11, 2009, the Board of Directors of the Fund (the ***Board***) re-approved the Advisory Agreement for an additional one-year period. The Advisor provided materials to the Board for its evaluation in response to information requested by the Independent Directors who were advised by independent legal counsel with respect to these and other relevant matters. Discussed below are the factors considered by the Board in approving the Advisory Agreement. This discussion is not intended to be all-inclusive. The Board reviewed a variety of factors and considered a significant amount of information, including information received on an ongoing basis at Board and committee meetings. The approval determination was made on the basis of each Director s business judgment after consideration of all the information taken as a whole. Individual Directors may have given different weight to certain factors and assigned various degrees of materiality to information received in connection with the contract review process.

In evaluating the Advisory Agreement, the Board of Directors, including the Independent Directors, considered the following factors, among others:

Nature, Extent and Quality of Services. The Board considered the general nature, extent, and quality of services provided and expected to be provided by the Advisor. They evaluated the Advisor s experience in serving as manager of the Fund and considered the benefits to shareholders of investing in a fund complex that is served by a large organization which also serves a variety of other investment advisory clients, including separate accounts, other pooled investment vehicles, registered investment companies, commingled funds and collective trusts. The Board also considered the ability of the Advisor to provide appropriate levels of support and resources to the Fund. The Board noted the background and experience of the senior management and portfolio management personnel of the Advisor, and that the expertise and amounts of attention provided and expected to be given to the Fund by the Advisor is substantial. The Board considered the ability of the Advisor to attract and retain qualified business professionals and its compensation program and the low turnover of portfolio management personnel. They also considered the breadth of the compliance programs of the Advisor, as well as the compliance operations with respect to the Fund. The Board concluded that it was satisfied with the nature, extent and quality of the investment management services provided and anticipated to be provided to the Fund by the Advisor under the Advisory Agreement.

Investment Performance. The Board was provided with a report prepared by Morningstar Associates LLC, an independent third party consultant (the ***Report***), which provided a comparative analysis of the performance of the Fund to similar funds, including the short- and long-term performance of the Fund. The Board reviewed information in the Report regarding the performance of the Fund as compared to other funds in its peer group (a group of 11 funds) and its fund category (a group of 21 funds), and considered the rankings given the Fund in the Report. They noted that although the Fund performed below its category median for the three-, five- and 10 year periods ended December 31, 2008, it outperformed its peer group and category medians in 2008, ranking in the first quartile. The Board also considered the impact on historical performance information of performance data for the highly unusual market conditions during 2008. They concluded that the Advisor should continue to provide acceptable investment management services to the Fund consistent with its objectives and strategy.

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TCW Strategic Income Fund, Inc.

Approval of Advisory and Management Agreement (Continued)

Advisory Fees, Expenses and Profitability. The Board considered information in the Report and in materials prepared by the Advisor regarding the advisory fees charged to the Fund, advisory fees paid by other funds in the Fund s third party consultant category and advisory fees charged under other investment advisory contracts with the Advisor for other registered investment companies. The Board noted that the advisory fee charged by the Advisor is at the median of advisory fees charged by other investment advisors to similar funds. In addition, the Board noted that the Advisor does not manage any separate accounts with a strategy substantially similar to the current strategy of the Fund.

The Board also considered information in the Report regarding the Fund s total expenses in 2008, and noted that the total expenses of the Fund (excluding interest expense) were slightly below the median for its category and well below the median for its fund peer group. They also considered the cost of services to be provided and profits to be realized by the Advisor and its affiliates from their relationship with the Fund, recognizing the difficulty in evaluating a manager s profitability with respect to the funds it manages in the context of a manager with multiple lines of business and noting that other profitability methodologies may also be reasonable. The Board concluded that the contractual management fee of the Fund under the Advisory Agreement is fair and bears a reasonable relationship to the services rendered.

Economies of Scale. The Board considered the potential of the Advisor to experience economies of scale as the Fund grows in size. They noted that, as a closed-end fund, there is limited potential for the Fund to experience significant asset growth other than through capital appreciation and income production. The Board noted the Advisory Agreement has a fee breakpoint and that the overall fee charged to the Fund is reasonable and concluded that the current fee structure reflected in the Advisory Agreement is appropriate.

Ancillary Benefits. The Board considered ancillary benefits to be received by the Advisor and its affiliates as a result of the relationship of the Advisor with the Fund, including compensation for certain compliance support services. They noted that, in addition to the fees the Advisor received under the Advisory Agreement, the Advisor could receive additional benefits in connection with management of the Fund in the form of reports, research and other services obtainable from brokers and their affiliates in return for brokerage commissions paid to such brokers. The Board concluded that any potential benefits to be derived by the Advisor from its relationship with the Fund are consistent with the services provided by the Advisor to the Fund.

After consideration of the factors described above and other matters, the Board approved the renewal of the Advisory Agreement for an additional one year period.

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Item 2. **Code of Ethics.** Not applicable.

Item 3. **Audit Committee Financial Expert.** Not applicable.

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

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

Item 6. **Schedule of Investments.** Not Applicable.

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

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

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

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

Item 11. **Controls and Procedures.**

(a) The Chief Executive Officer and Chief Financial Officer have concluded that the registrant s disclosure controls and procedures (as defined in rule 30a-2(c) under the Investment Company Act of 1940) provide reasonable assurances that material information relating to the registrant is made known to them by the appropriate persons as of a date within 90 days of the filing date of this report, based on their evaluation of these controls and procedures required by Rule 30a-3(b) under the Investment Company Act of 1940 and 15d-15(b) under the Exchange Act.

(b) There were no changes in the registrant s internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) that occurred during the registrant s second fiscal quarter covered by this report that have materially affected, or are reasonably likely to materially affect, the registrant s internal control over financial reporting.

Item 12. **Exhibits.**

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

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) TCW Strategic Income Fund, Inc.

By (Signature and Title)
/s/ Ronald R. Redell
Ronald R. Redell
Chief Executive Officer

Date August 25, 2009

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title)
/s/ Ronald R. Redell
Ronald R. Redell
Chief Executive Officer

Date August 25, 2009

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

Date August 25, 2009