TCW CONVERTIBLE SECURITIES FUND INC
Form PRE 14A
August 04, 2006

SCHEDULE 14A INFORMATION

(RULE 14A-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

Filed by the Registrant x

Filed by a Party other than the Registrant ¨

Check the appropriate box:

x Preliminary Proxy Statement

¨ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

¨ Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to Rule 14a-11(c) or Rule 14a-12

TCW STRATEGIC INCOME FUND, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(2) Aggregate number of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(4) Proposed maximum aggregate value of transaction:

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(5) Total fee paid:

¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount Previously Paid:

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(2) Form, Schedule or Registration Statement No.:

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(3) Filing Party:

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(4) Date Filed:

TCW STRATEGIC INCOME FUND, INC.

865 South Figueroa Street

Los Angeles, California 90017

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To be held on Tuesday, September 26, 2006

Notice is hereby given that the annual meeting of shareholders of TCW Strategic Income Fund, Inc. (the Fund) will be held at • , Tuesday, September 26, 2006 at 9:30 A.M., Pacific Daylight Time, to consider and vote on the following matters:

1. Election of eight directors to hold office until the next annual meeting of shareholders or until their successors have been duly elected and qualified;

2. Conversion of the Fund to an open-end investment company pursuant to the Fund s Articles of Incorporation, and adoption of an amendment and restatement of the Articles of Incorporation to effectuate the proposal; and

3. Such other matters as may properly come before the annual meeting or any adjournments or postponements thereof.

August 4, 2006 has been fixed as the record date for the determination of shareholders entitled to notice of, and to vote at, the annual meeting, and only holders of Common Stock of record at the close of business on that date will be entitled to vote. To assure your representation at the annual meeting, please mark, sign and date your proxy card and return it in the envelope provided after reading the accompanying proxy statement.

By Order of the Board of Directors

PHILIP K. HOLL

Secretary

August , 2006

It is requested that you promptly execute the enclosed proxy and return it in the enclosed envelope thus enabling the Fund to avoid unnecessary expense and delay. No postage is required if mailed in the United States. The proxy is revocable and will not affect your right to vote in person if you attend the annual meeting.

TCW STRATEGIC INCOME FUND, INC.

865 South Figueroa Street

Los Angeles, California 90017

PROXY STATEMENT

The accompanying proxy is solicited by the Board of Directors (the Board of Directors or the Board) of TCW Strategic Income Fund, Inc. (the Fund) in connection with the annual meeting of shareholders (the Annual Meeting) to be held on Tuesday, September 26, 2006 at 9:30 A.M., Pacific Daylight Time. Any shareholder executing a proxy has the power to revoke it prior to its exercise by submission of a later proxy, by voting in person, or by letter to the Secretary of the Fund. However, attendance at the Annual Meeting, by itself, will not revoke a previously submitted proxy. Unless the proxy is revoked, the shares represented thereby will be voted in accordance with specifications thereon. Proxy solicitation will be principally by mail but may also be by telephone or personal interview conducted by officers and regular employees of TCW Investment Management Company, the Fund s investment adviser (the Adviser) or The Bank of New York, the Fund s transfer agent. In addition, proxy solicitation may be conducted by Georgeson Shareholder Communications Inc., which will be paid approximately $7,500 and will be reimbursed for its related expenses. The cost of solicitation of proxies will be borne by the Fund, including reimbursement of banks, brokerage firms, nominees, fiduciaries and other custodians for reasonable expenses incurred by them in sending the proxy material to beneficial owners of shares of the Fund. This Proxy Statement, Notice of Annual Meeting and proxy card are first being mailed to shareholders on or about August •, 2006.

The Fund s Common Stock is the only class of outstanding voting securities of the Fund. The record date for determining shareholders entitled to notice of, and to vote at, the Annual Meeting has been fixed at the close of business on Friday, August 4, 2006, and each shareholder of record at that time is entitled to cast one vote for each share of Common Stock registered in his or her name. At August 4, 2006, 47,609,979 shares of Common Stock were outstanding and entitled to be voted. The Fund s Common Stock does not have cumulative voting rights. At August 4, 2006, as far as known to the Fund, no person owned beneficially more than 5% of the outstanding Common Stock of the Fund.

1. ELECTION OF THE BOARD OF DIRECTORS

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR ALL NOMINEES

At the Annual Meeting, eight directors (the Directors) are to be elected to serve until the next annual meeting of shareholders or until their successors have been duly elected and qualified. Unless otherwise instructed, the proxy holders intend to vote proxies received by them for the eight nominees named below. The Board of Directors, including the Directors who are not interested persons of the Fund (Independent Directors), as defined in Section 2(a)(10) of the Investment Company Act of 1940 (the Act), upon the recommendation of the Fund s Nominating Committee which is comprised solely of Independent Directors, have nominated Messrs. Bell, Call, Fong, Gavin, Haden, Parker, Albe and Sonneborn to serve as directors until the next annual meeting of shareholders or until their successors have been duly elected and qualified. The following schedule sets forth certain information regarding each nominee for election as director, including their ages, their addresses, their positions with the Fund, their term of office and length of time served as director, their principal occupations during the past five years (their titles may have varied during the period), the total number of separate portfolios in the fund complex the nominees would oversee if elected, and certain other board memberships they hold.

Independent Director Nominees

Name, Address, Age and Position with Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen*	Other Directorships held by Director
Samuel P. Bell (69) c/o Paul, Hastings, Janofsky & Walker LLP, Counsel to the Independent Directors 515 South Flower Street Los Angeles, CA 90071 Director	Term: Until 2006 Served since 2002	Private Investor. Former President, Los Angeles Business Advisors (not-for-profit business organization). Prior to 1996, Mr. Bell served as the Area Managing Partner of Ernst & Young (public accounting firm) for the Pacific Southwest Area.	24	Point 360 (post production services), Broadway National Bank (banking) and TCW Funds, Inc. (mutual fund with 23 series).
Richard W. Call (81) 905 Hillcrest Place Pasadena, CA 91106	Term: Until 2006 Served since 1987	Private Investor. Former President of The Seaver Institute (a private foundation).	24	TCW Funds, Inc. (mutual fund with 23 series).

Director				
Matthew K. Fong (52) 556 South Fair Oaks Avenue Pasadena, CA 91105 Director	Term: Until 2006 Served since 2001	President, Strategic Advisory Group; Of Counsel, Sheppard, Mullin, Richter & Hamilton (law firm) since 1999. From 1995 to 1998, Mr. Fong served as Treasurer of the State of California.	24	Seismic Warning Systems, Inc. and TCW Funds, Inc. (mutual fund with 23 series).

Name, Address, Age and Position with Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen*	Other Directorships held by Director
John A. Gavin (75) c/o Paul, Hastings, Janofsky & Walker LLP, Counsel to the Independent Directors 515 South Flower Street Los Angeles, CA 90071 Director	Term: Until 2006 Served since 2001	Founder and Chairman of Gamma Holdings (international capital consulting firm).	24	Causeway Capital Management Trust (mutual fund with 1 series), TCW Funds, Inc. (mutual fund with 23 series) and Hotchkis and Wiley Funds (mutual fund with 5 series).
Patrick C. Haden (53) 10900 Wilshire Boulevard Los Angeles, CA 90024 Chairman of the Board	Term: Until 2006 Served since 2001	General Partner, Riordan, Lewis & Haden (private equity firm).	24	Indy Mac Mortgage Holdings (mortgage banking), Tetra Tech, Inc. (environmental consulting) and TCW Funds, Inc. (mutual fund with 23 series).
Charles A. Parker (72) c/o Paul, Hastings, Janofsky & Walker LLP, Counsel to the Independent Directors 515 South Flower Street Los Angeles, CA 90071 Director	Term: Until 2006 Served since 1988	Private Investor.	24	Horace Mann Educators Corp. (insurance corporation), trustee of the Burridge Center for Research in Security Prices (University of Colorado) and TCW Funds, Inc. (mutual fund with 23 series).

* Fund complex means two or more funds that (i) hold themselves out to investors as related companies for purposes of investment and investor services, or (ii) have a common investment adviser or have an investment adviser that is an affiliated person of the investment adviser of any of the other funds.

Interested Director Nominees*

Name, Address, Age and Position with Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen**	Other Directorships held by Director
Alvin R. Albe, Jr. (53) 865 S. Figueroa Street Los Angeles, CA 90017 President and Chief Executive Officer	N/A	President, Chief Executive Officer, and a Director, the Adviser; Executive Vice President and a Director of TCW Asset Management Company and Trust Company of the West; Executive Vice President, The TCW Group, Inc.; President and Chief Executive Officer, TCW Funds, Inc.	1	Syntroleum Corporation (developer of gas-to-liquids and coal-to-liquids technology).
William C. Sonneborn (36) 865 S. Figueroa Street Los Angeles, CA 90017 None	N/A	Vice Chairman, the Adviser and TCW Asset Management Company; President, Chief Operating Officer, and a Director, TCW Group, Inc.; President, Chief Operating Officer and a Director, Trust Company of the West.	1	None.

* Directors who are or may be deemed to be interested persons of the Fund as defined in the Act. Mr. Albe is President, Chief Executive Officer and a director of the Adviser. Mr. Sonneborn is Vice-Chairman of the Adviser.

** Fund complex means two or more funds that (i) hold themselves out to investors as related companies for purposes of investment and investor services, or (ii) have a common investment adviser or have an investment adviser that is an affiliated person of the investment adviser of any of the other funds.

All nominees have consented to being named in this Proxy Statement and have indicated their intention to serve if elected. Should any nominee for director withdraw or otherwise become unavailable for reasons not presently known, the proxy holders intend to vote for the election of such other person or persons as the Independent Directors may designate.

Ownership of Securities

The information as to ownership of securities which appears below is based on statements furnished to the Fund by Directors, nominees and executive officers. Since January 1, 2005, none of the Directors or nominees purchased or sold securities exceeding 1% of the securities of any class of the Adviser or its parent companies, or subsidiaries of either. As of June 30, 2006, none of the Independent Directors or their immediate family members owned any shares of the Adviser or any person (other than a registered investment company) directly or indirectly controlling, controlled by, or under common control with, the Adviser.

The following table sets forth the number of shares of Common Stock beneficially owned as of June 30, 2006 by each Director and executive officer and by Directors and executive officers as a group. Directors and executive officers who did not own shares of Common Stock as of June 30, 2006 are not listed.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership*	Percent of Class**
Alvin R. Albe, Jr.	212,370	***
Ernest O. Ellison	11,095	***
Richard W. Call	13,450	***
Jeffrey E. Gundlach	286,350	***
Patrick C. Haden	16,100	***
Thomas D. Lyon	44,525	***
Charles A. Parker	3,073	***
Robert G. Sims	3,600	***
All Directors and executive officers as a group	590,563	1.24%

* Each beneficial owner holds sole voting and investment power with respect to amounts shown.
** Based on 47,609,979 shares of Common Stock outstanding as of June 30, 2006.
*** Indicates less than one percent.

The following table sets forth the equity ownership of nominees in the Fund as of June 30, 2006. The code for the dollar range of equity securities owned by nominees is: (a) $1 to $10,000; (b) $10,001 $50,000; (c) $50,001 $100,000; and (d) over $100,000.

Name of Nominee	Dollar Range of Equity Securities In the Fund	Aggregate Dollar Range of Equity Securities in Family of Investment Companies
Independent Director Nominees		
Samuel P. Bell	None	(c)
Richard W. Call	(c)	(d)
Matthew K. Fong	None	(d)
John A. Gavin	None	(c)
Patrick C. Haden	(c)	
Charles A. Parker	(b)	(c)
Interested Director Nominees		
Alvin R. Albe, Jr.	(d)	(d)
William C. Sonneborn	None	(d)

Fund Committees

The Fund has a standing Nominating Committee, Audit Committee and Executive Committee. The Nominating Committee and Audit Committee are composed entirely of Independent Directors who are also independent as defined in the New York Stock Exchange (NYSE) listing standards.

Nominating Committee

The Fund s Board of Directors has appointed a Nominating Committee. The Nominating Committee makes recommendations to the Board regarding nominations for membership on the Board of Directors. It evaluates candidates qualifications for board membership and, with respect to nominees for positions as Independent Directors, their independence from the Fund s investment adviser and other principal service providers. The Nominating Committee periodically reviews director compensation and recommends any appropriate changes to the Board as a group. The Nominating Committee also reviews and may make recommendations to the Board relating to those issues that pertain to the effectiveness of the Board in carrying out its responsibilities in governing the Fund and overseeing the management of the Fund. The members of the Fund s Nominating Committee are Messrs. Samuel P. Bell, Richard W. Call, Matthew K. Fong, John A. Gavin, Patrick C. Haden, and Charles A. Parker.

The Board of Directors has adopted a Directors Nominating and Qualification Charter (Nominating Committee Charter), a copy of which was last included in the Fund s proxy statement for the annual meeting of shareholders for 2004.

The Nominating Committee will consider potential director candidates recommended by Fund shareholders provided that the proposed candidates satisfy the director qualification requirements provided in the Nominating Committee Charter; are not interested persons of the Fund within the meaning of the Act; and are independent as defined in the NYSE listing standards. Director qualification requirements include, but are not limited to, the following:

(a) The nominee may not be the nominating shareholder, a member of a nominating shareholder group, or a member of the immediate family of the nominating shareholder or any member of a nominating shareholder group;

(b) Neither the nominee nor any member of the nominee s immediate family may be currently employed or employed within the last year by any nominating shareholder entity or entity in a nominating shareholder group;

(c) Neither the nominee nor any immediate family member of the nominee is permitted to have accepted directly or indirectly, during the year of the election for which the nominee s name was submitted, during the immediately preceding calendar year, or during the year when the nominee s name was submitted, any consulting, advisory, or other compensatory fee from the nominating shareholder or any member of a nominating shareholder group;

(d) The nominee may not be an executive officer, director (or person performing similar functions) of the nominating shareholder or any member of a nominating shareholder group, or of an affiliate of a nominating shareholder or any such member of a nominating shareholder group;

(e) The nominee may not control (as control is defined in the Act) the nominating shareholder or any member of a nominating shareholder group (or in the case of a holder or member that is a fund, an interested person of such holder or member as defined by Section 2(a)(19) of the Act); and

(f) A shareholder or nominating shareholder group may not submit for consideration a nominee who has previously been considered by the Nominating Committee.

In addition, the nominating shareholder or shareholder group must meet the following requirements in order for the Nominating Committee to consider a proposed nominee:

(a) Any shareholder or shareholder group submitting a proposed nominee must beneficially own, either individually or in the aggregate, more than 5% of the Fund s securities that are eligible to vote at the time of submission of the nominee and at the time of the annual meeting at which the nominee may be elected. Each of the securities used for purposes of calculating this ownership must have been held continuously for at least two years as of the date of the nomination. In addition, such securities must continue to be held through the date of the meeting. The nominating shareholder or shareholder group must also bear the economic risk of the investment and the securities used for purposes of calculating the ownership cannot be held short ; and

(b) The nominating shareholder or shareholder group must not qualify as an adverse holder (as defined in the Nominating Committee Charter).

A nominating shareholder or shareholder group may not submit more than one Independent Director nominee each calendar year. All shareholder recommended nominee submissions must be received by the Fund by • 2007, the deadline for submission of any shareholder proposals which would be included in the Fund s proxy statement for its 2007 annual meeting.

Shareholders recommending potential director candidates must substantiate compliance with these requirements at the time of submitting their proposed director candidates to the attention of the Fund s Secretary. Notice to the Fund s Secretary should provide: (i) the shareholder s contact information; (ii) the director candidate s contact information and the number of Fund shares owned by the proposed candidate; (iii) all information regarding the candidate that would be required to be disclosed in solicitations of proxies for elections of directors required by Regulation 14A of the Securities Exchange Act of 1934, as amended (the 1934 Act); and (iv) a notarized letter executed by the director candidate, stating his or her intention to serve as a nominee and be named in the Fund s proxy statement, if nominated by the Board of Directors, and to serve as director if so elected.

The Nominating Committee identifies prospective candidates from any reasonable source and is authorized to engage third-party services for the identification and evaluation of potential nominees. The Fund s Nominating Committee Charter provides minimum qualifications for Fund directors which include expertise, experience or relationships that are relevant to the Fund s business, and educational qualifications. The Nominating Committee may recommend that the Board modify these minimum qualifications from time to time. The Nominating Committee meets at least annually to identify and evaluate nominees for director and make its recommendations to the Board. Each of the Independent Director nominees included in this Proxy Statement currently serves on the Board of Directors of the Fund. Mr. Albe currently serves as the President and Chief Executive Officer of the Fund. Mr. Sonneborn was identified by the Adviser for consideration by the Nominating Committee. If elected, Messrs. Albe and Sonneborn would replace Messrs. Sims and Ellison, each of whom will be retiring from the Board of Directors.

No nominee recommendations have been received from shareholders for this Annual Meeting. The Nominating Committee may modify its policies and procedures for director nominees and recommendations from time to time in response to changes in the Fund s needs and circumstances, and as applicable legal or listing standards change.

Audit Committee

The Fund s Board of Directors has appointed an Audit Committee and has adopted a written charter for the Fund s Audit Committee, a copy of which is attached hereto as Appendix B. The purposes of the Audit Committee are set forth in the Audit Committee Charter. In brief, the role of the Audit Committee is to assist the Board of Directors in its oversight of the Fund s financial control and reporting process. The members of the Audit Committee are Messrs. Samuel P. Bell, Richard W. Call, Matthew K. Fong, John A. Gavin, Patrick C. Haden, and Charles A. Parker.

Executive Committee

The Fund s Board of Directors has appointed an Executive Committee. The purpose of the Executive Committee is to provide for the exercise of certain powers of the Board of Directors in extraordinary circumstances where a meeting of the full Board of Directors is not practicable. The members of the Executive Committee are currently Messrs. Richard W. Call, Ernest O. Ellison and Patrick C. Haden, however, Mr. Ellison will be retiring from the Board of Directors and Executive Committee. If elected, it is anticipated that Mr. Albe or Mr. Sonneborn will serve on the Executive Committee.

Board and Committee Meetings in Fiscal 2005

During the Fund s fiscal year ended December 31, 2005, the Board of Directors held four regular meetings, two special meetings, five Audit Committee meetings, and two Nominating Committee meetings. No Executive Committee meetings were held during that period. Each nominee then in office attended more than 75% of the aggregate of (1) the total number of meetings of the Board of Directors and (2) if a member of the Nominating Committee, Audit Committee or Executive Committee, the total number of meetings held by such Committee.

Communications with the Board of Directors

Shareholders may address correspondence to the Board of Directors as a whole or to individual Directors relating to the Fund to the Fund s Secretary at TCW Strategic Income Fund, Inc., 865 South Figueroa Street, Los Angeles, CA 90017 and it will be directed to the attention of the addressee.

Director Attendance at Shareholder Meetings

Although the Fund has no formal policy regarding Directors attendance at shareholder meetings, typically, each Director of the Fund attends the Annual Meeting. At the Fund s 2005 annual meeting held on September 29, 2005, seven Directors were present.

Compensation for Directors

The Fund pays each Independent Director an annual fee of $7,500 plus a per meeting fee of $750 for meetings of the Board of Directors or Committees of the Board of Directors attended by the Director. The Fund also reimburses such Directors for travel and other out-of-pocket expenses incurred by them in connection with attending such meetings. Directors and officers of the Fund who are employed by the Adviser or an affiliated company thereof receive no compensation or expense reimbursement from the Fund.

The following table illustrates the compensation paid to the Fund s Independent Directors for the calendar year ended December 31, 2005 by the Fund and the aggregate compensation paid to the Fund s Independent Directors by the Fund and TCW Funds, Inc. for the same period. The compensation paid by TCW Funds, Inc. is included solely because the Adviser also serves as investment adviser to that fund. The Independent Directors do not receive any pension or retirement benefits from the Fund or TCW Funds, Inc. The Interested Directors are omitted from this table because they receive no compensation from the Fund or TCW Funds, Inc.

Name of Independent Director	Aggregate Compensation from the Fund	Aggregate Cash Compensation from TCW Funds, Inc. and the Fund
Samuel P. Bell	$ 12,750	$ 71,500
Richard W. Call	$ 12,250	$ 61,000
Matthew K. Fong	$ 12,750	$ 61,500
John A. Gavin	$ 12,750	$ 61,500
Patrick C. Haden	$ 12,750	$ 76,500
Charles A. Parker	$ 12,750	$ 61,500

Compliance with Section 16(a) of the 1934 Act

Section 16(a) of the 1934 Act and Section 30(h) of the Act, as applied to the Fund, require the Fund s officers and Directors, Adviser, certain affiliates of the Adviser, and persons who beneficially own more than ten percent of a registered class of the Fund s securities (Reporting Persons), to file reports of ownership of the Fund s securities and changes in such ownership with the Securities and Exchange Commission (SEC) and the NYSE. Reporting Persons are also required by such regulations to furnish the Fund with copies of all Section 16(a) forms they file.

Based solely on its review of the copies of such forms received by it and written representations of certain Reporting Persons, the Fund believes that during fiscal year 2005, all required Section 16(a) ownership reports were timely filed with the exception of Form 3 filings that were required to be filed by Robert D. Beyer, Jeffrey E. Gundlach and William C. Sonneborn on November 3, 2005. These late filings were due to an administrative error which has been corrected.

Executive Officers of the Fund

The following information relates to the executive officers of the Fund. The business address of each is 865 South Figueroa Street, Los Angeles, California 90017. Several of such officers own common stock of The TCW Group, Inc., the parent corporation of the Adviser.

Name and Position with the Fund	Principal Occupation During Past Five Years	Age	Officer Since
Alvin R. Albe, Jr. President and Chief Executive Officer	President, Chief Executive Officer, and Director, the Adviser; Executive Vice President and Director of TCW Asset Management Company and Trust Company of the West; Executive Vice President, The TCW Group, Inc.; President and Chief Executive Officer, TCW Funds, Inc.	53	1998
Jeffrey E. Gundlach Senior Vice President	Group Managing Director, Chief Investment Officer and Director, the Adviser, The TCW Group, Inc. and Trust Company of the West; President, Chief Investment Officer and Director; TCW Asset Management Company.	46	2006
Thomas E. Larkin, Jr. Senior Vice President	Vice Chairman, The TCW Group, Inc., the Adviser, TCW Asset Management Company and Trust Company of the West.	66	1989
Hilary G. D. Lord Senior Vice President Chief Compliance Officer	Managing Director, Chief Compliance Officer and Assistant Secretary, Trust Company of the West and the Adviser; Senior Vice President and Assistant Secretary, TCW Funds, Inc.	49	1988
Thomas D. Lyon Senior Vice President	Managing Director, the Adviser, TCW Asset Management Company and Trust Company of the West.	47	1998
Michael E. Cahill General Counsel and Assistant Secretary	Group Managing Director, General Counsel and Secretary, the Adviser, The TCW Group, Inc. and Trust Company of the West; Group Managing Director, General Counsel, Secretary and Director, TCW Asset Management Company; Senior Vice President, General Counsel and Assistant Secretary, TCW Funds, Inc.	55	1992
Philip K. Holl Secretary and Associate General Counsel	Senior Vice President and Associate General Counsel, the Adviser, TCW Asset Management Company and Trust Company of the West; Secretary and Associate General Counsel, TCW Funds, Inc.	56	1994
David S. DeVito Treasurer and Chief Financial Officer	Managing Director and Chief Financial Officer, the Adviser, The TCW Group, Inc. and Trust Company of the West; Managing Director, Chief Financial Officer and Director, TCW Asset Management Company; Treasurer and Chief Financial Officer, TCW Funds, Inc.	43	2001
George N. Winn Assistant Treasurer	Senior Vice President, the Adviser, TCW Asset Management Company and Trust Company of the West.	37	2001

Accounting Matters

The Board of Directors (including a majority of Independent Directors) has selected Deloitte & Touche LLP (Deloitte) as independent auditors for the Fund for the fiscal year ending December 31, 2006. The engagement of such independent auditors is conditioned upon the right of the Fund, by vote of a majority of its outstanding voting securities, to terminate such employment forthwith without any penalty. [It is expected that a representative of Deloitte will be present at the Annual Meeting and that shareholders will have the opportunity to ask questions of the representative.]

Audit Committee Report

The Audit Committee of the Board of Directors normally meets at least twice during each full fiscal year with the Fund s Chief Financial Officer and representatives of the independent auditors in a separate executive session to discuss and review various matters as contemplated by the Audit Committee Charter. In the performance of its oversight function, the Audit Committee has considered and discussed the audited financial statements with management and the independent auditors of the Fund. The Audit Committee also has discussed with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61, Communication with Audit Committees, as currently in effect. The Audit Committee also has considered whether the provision by the Fund s independent auditors of non-audit services to the Fund, and of professional services to the Adviser and affiliates of the Adviser that provide services to the Fund, is compatible with maintaining the independent auditors independence. Finally, the Audit Committee has received the written disclosures and the letter from the independent auditors required by Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees, and has discussed with the independent auditors the independent auditors independence.

The members of the Fund s Audit Committee are not professionally engaged in the practice of auditing or accounting. The Board of Directors has determined that Samuel P. Bell qualifies as an audit committee financial expert, as defined under the SEC s Regulation S-K, Item 401(h). The Audit Committee is in compliance with applicable rules of the listing requirements for closed-end fund audit committees, including the requirement that all members of the audit committee be financially literate and that at least one member of the audit committee have accounting or related financial management expertise, as determined by the Board. The Audit Committee is required to conduct its operations in accordance with applicable requirements of the Sarbanes-Oxley Act of 2002 and the Public Company Accounting Oversight Board, and the members of the Audit Committee are subject to the fiduciary duty to exercise reasonable care in carrying out their duties. Members of the Fund s Audit Committee rely without independent verification on the information provided to them and on the representations made by management and the independent auditors. Accordingly, the Audit Committee s oversight does not provide an independent basis to determine that management has maintained appropriate accounting and financial reporting principles or appropriate internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. Furthermore, the Audit Committee s considerations and discussions referred to above do not assure that the audit of the Fund s financial statements have been carried out in accordance with generally accepted auditing standards, that the financial statements are presented in accordance with generally accepted accounting principles or that the Fund s auditors are in fact independent.

Based upon the reports and discussions described in this report, and subject to the limitations on the role and responsibilities of the Audit Committee referred to above and in the Audit Committee Charter, the Audit Committee recommended to the Board of Directors that the audited financial statements of the Fund be included

in the Fund s annual report to shareholders for the fiscal year ended December 31, 2005. The members of the Audit Committee, Messrs. Bell, Call, Fong, Gavin, Haden, and Parker, are Independent Directors who are independent within the meaning of the NYSE corporate governance standards for audit committees.

Audit Fees. The aggregate fees paid to Deloitte in connection with the annual audit of the Fund for the fiscal years ended December 31, 2004 and 2005 were as follows:

Fiscal Year	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
2004	$ 37,960	$ 0	$ 4,350	$ 0
2005	$ 37,960	$ 0	$ 10,843	$ 0

All of the services described in the table above were approved by the Audit Committee pursuant to its pre-approval policies and procedures which are summarized further below. Tax fees for the fiscal years ended December 31, 2004 and 2005 were billed in connection with tax consulting and tax form preparation services.

No non-audit fees were billed by Deloitte to the Adviser. In addition, Deloitte did not provide any non-audit services to any entity controlling, controlled by or under common control with the Adviser that provides ongoing services to the Fund.

The Audit Committee pre-approves all audit and non-audit services provided by Deloitte or any independent auditor engaged by the Fund and any non-audit or audit-related services provided to its service affiliates which have an impact on the Fund in accordance with certain pre-approval policies and procedures. The Audit Committee approves the engagement of the auditor for each fiscal year, and a majority of the Fund s Independent Directors approves the engagement. The Audit Committee may pre-approve the provision of types or categories of non-audit services for the Fund and permissible non-audit services for the Fund s service affiliates on an annual basis at the time of the auditor s engagement and on a project-by-project basis. At the time of the annual engagement of the Fund s independent auditor, the Audit Committee receives a list of the categories of expected services with a description and an estimated budget of fees. In its pre-approval, the Audit Committee must determine that the provision of the service is consistent with, and will not impair, the ongoing independence of the auditor and set any limits on fees or other conditions it finds appropriate. Non-audit services may also be approved on a project-by-project basis by the Audit Committee consistent with the same standards for determination and information.

Financial Information Systems Design and Implementation Fees. During the fiscal year ended December 31, 2005, Deloitte did not provide services relating to the design or implementation, and did not directly or indirectly operate or supervise the operation, of financial information systems of the Fund, the Adviser or entities controlling, controlled by or under common control with the Adviser that provide services to the Fund.

The Audit Committee has considered the nature of the non-audit services rendered by Deloitte and does not consider them incompatible with Deloitte s independence.

The Fund s Board of Directors, including the Independent Directors, recommends that shareholders vote For the nominees under Proposal 1. Unmarked proxies will be so voted.

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2. PROPOSAL PURSUANT TO THE FUND S ARTICLES OF INCORPORATION TO CONVERT THE FUND FROM A CLOSED-END INVESTMENT COMPANY TO AN OPEN-END INVESTMENT COMPANY AND TO ADOPT AN AMENDMENT AND RESTATEMENT OF THE ARTICLES OF INCORPORATION TO EFFECTUATE THE CONVERSION

THE BOARD OF DIRECTORS RECOMMENDS A VOTE AGAINST THIS PROPOSAL

BACKGROUND OF THE PROPOSAL

The Fund has operated as a closed-end management investment company since it began operations in March 1987. As a closed-end fund, the Fund s shares are bought and sold by shareholders in the securities markets at prevailing prices, which may be equal to, less than, or greater than its net asset value per share. The Fund s Articles of Incorporation provide that, beginning in 1990, if shares of the Fund s Common Stock have traded on the principal securities exchange where listed at an average discount from net asset value of more than 10%, determined on the basis of the discount as of the end of the last trading day in each week during the period of 12 calendar weeks preceding December 31 in any year (the 10% Threshold), the Fund must submit to its shareholders at the next succeeding annual meeting of shareholders a proposal to amend the Fund s Articles of Incorporation to provide that, upon the adoption of such amendment by the holders of two-thirds of the Fund s outstanding shares, the Fund will convert from a closed-end to an open-end investment company (the Conversion Proposal). On the last trading day of each week during the 12 calendar weeks preceding December 31, 2005, the Fund s shares traded at an average discount from net asset value of 10.395%, determined in accordance with the provisions of the Fund s Articles of Incorporation. Accordingly, the Fund is required to submit the Conversion Proposal and the amendments of the Fund s Articles of Incorporation for shareholder consideration.

FOR THE REASONS DISCUSSED BELOW, THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS **VOTE AGAINST THE CONVERSION PROPOSAL** AND THE ADOPTION OF THE AMENDMENT AND RESTATEMENT OF THE ARTICLES OF INCORPORATION TO EFFECTUATE THE CONVERSION PROPOSAL.

BOARD CONSIDERATION OF THE PROPOSAL

At a meeting held on February 23, 2006, the Fund s Board of Directors considered and approved a new asset allocation model consistent with the Fund s new investment objective and expanded investment policies. The Fund s new investment objective and expanded investment policies were approved at the Fund s 2005 annual meeting of shareholders and instituted in March 2006. At a meeting held on August 2, 2006, the Fund s Board of Directors reviewed information regarding the potential advantages and disadvantages of converting to an open-end fund and the possible effects of conversion on the Fund.

In connection with these deliberations, the Board considered that the Fund has undergone a major transition from a primarily convertible securities fund to a multi-strategy fund. The Fund s new investment objective, investment policies and asset allocation model will expand the asset classes in which the Fund can invest and expand the Fund s ability to use leverage and call options. The expanded investment options may include, but are not limited to, dividend paying equity securities as well as non-convertible debt securities including high yield debt securities (high yield securities are those rated below investment grade, and are subject to greater risk than

higher rated securities), mortgage-related securities and asset-backed securities. This initiative to refocus the Fund as a multi-strategy vehicle with expanded investment options is intended to give the Adviser greater flexibility to draw on its extensive investment capabilities across a wide range of asset classes in order to generate investment income and to attempt to improve the Fund s investment performance. In addition, the Board considered that the new asset allocation model is generally intended to reduce the Fund s exposure to the equity markets, result in the Fund becoming more fixed income oriented and increase the average credit quality of fixed income securities from BB+ to BBB.

The Board further considered that the modified investment strategy of the Fund, along with improved investment performance, could have the effect of increasing demand for the Fund s shares and reducing the Fund s share price discount over the long-term, although there is no assurance that the Fund s discount will be affected by this initiative.

The Board also considered that the Fund s shares traded at a discount from net asset value within a range of 6.69% to 11.37% during the period March 31, 2006 to July 28, 2006. The Board considered that the investment strategy transition has only been recently implemented, and there has been insufficient time for management and the Board to consider the effect of the strategy change and to determine whether there will be any favorable long-term impact on investment performance and/or the share discount.

At the meeting held on August 2, 2006, the Board considered whether or not to recommend to shareholders that the Conversion Proposal be approved, and voted unanimously to recommend that shareholders vote against the Conversion Proposal.

The Board of Directors and the Adviser believe that conversion to an open-end investment company could adversely affect the functioning of the Fund s investment operations and its investment performance, as described below under Disadvantages and Advantages of the Conversion Proposal Potential Open-End Fund Advantages and/or Closed-End Fund Disadvantages Impact on Portfolio Management. The Board also believes that conversion could expose the Fund to an increase in the Fund s expenses as a percentage of net asset value if there is a substantial reduction in its size, among other concerns, as described in Disadvantages and Advantages of the Conversion Proposal Potential Open-End Fund Disadvantages and/or Closed-End Fund Advantages below.

In its consideration of the Conversion Proposal, the Board took into account the fact that conversion would eliminate the possibility of the Fund s shares ever trading at a discount to net asset value and that, if the Fund were open-ended, shareholders could realize the net asset value of their shares through redemption (although such redemptions may result in a capital gain to the redeeming shareholders which may be taxable).

At this time, the Board does not believe that eliminating the possibility of a discount justifies the risk of reduced size, increases in the Fund s expense ratio and the potential adverse effect on its investment operations that conversion would entail. Accordingly, the Board, including each of the Independent Directors, does not believe that conversion of the Fund to an open-end investment company is in the best interests of the Fund and its shareholders.

If the Conversion Proposal is not approved by shareholders, the Fund will continue to operate as a closed-end investment company, and the Board will continue to monitor the market discount from net asset value, if any, at which the Fund s shares trade, and will consider whether any other action should be taken with

respect to such discount. The Board will continue to consider, as it has in the past, repurchases of the Fund s shares on the open market or tender offers to the Fund s shareholders when the shares are trading at a discount from net asset value. In this regard, the Fund completed its most recent open market share repurchase program in the first quarter of 2005. The Fund cannot predict whether any open market repurchases or tender offer purchases of its shares made while the Fund is a closed-end investment company would decrease the discount from net asset value. To the extent that the average discount from net asset value is decreased below the 10% Threshold for a fiscal year because of open market repurchases or tender offer purchases or otherwise, the Fund would not be required to submit to its shareholders the Conversion Proposal with respect to any such fiscal year.

If the Fund s shares continue to trade at an average discount from net asset value in excess of the 10% Threshold in any future fiscal year as determined in accordance with the Fund s Articles of Incorporation, the Board of Directors and the Fund s shareholders will again have the opportunity to consider converting the Fund to an open-end fund. Pursuant to the Articles of Incorporation, a subsequent Conversion Proposal with respect to such fiscal year will be submitted to shareholders for their consideration.

Certain of the factors considered by the Board in making its recommendation are discussed in greater detail below.

DISADVANTAGES AND ADVANTAGES OF THE CONVERSION PROPOSAL

The Fund is currently a closed-end fund. As such, it does not redeem its outstanding shares or engage in the continuous sale of new shares, and thus the Fund operates with a relatively fixed capitalization. The Fund s shares are principally traded on the NYSE at prevailing market prices, which may be equal to, less than or more than net asset value. By contrast, open-end funds, commonly referred to as mutual funds, issue redeemable securities with respect to which, traditionally, no secondary trading market has been permitted to develop. Except during periods when the NYSE is closed or trading thereon is restricted, or when redemptions may otherwise be suspended in an emergency as permitted by the Act, the holders of these redeemable securities have the right to surrender them to the mutual fund and obtain in return their proportionate share of the fund s net asset value per share at the time of redemption (less any redemption fee charged by the fund or contingent deferred sales charge imposed by the fund s distributor). In addition, most mutual funds continuously offer new shares to investors at a price based upon the shares net asset value per share at the time of issuance.

POTENTIAL OPEN-END FUND DISADVANTAGES AND/OR CLOSED END FUND ADVANTAGES

(1) IMPACT ON PORTFOLIO MANAGEMENT. While the portfolio assets of closed-end funds can be fully invested, open-end funds are subject to periodic inflows and outflows of cash that can complicate portfolio management, and can reduce investment performance. In particular, open-end funds may be subject to pressure to sell portfolio securities at disadvantageous times in order to satisfy redemption requests. In addition, the ability of open-end funds to invest 100% of the fund s assets in portfolio securities may be limited because of the need to maintain cash reserves to provide for shareholder redemptions in uncertain amounts. The level of redemptions may be particularly high immediately following conversion to open-end status and therefore, initially, the Fund may be required to maintain substantial cash reserves. Also, although the ability of open-end funds to sell shares at any time (resulting from their being priced at net asset value per share) may produce certain efficiencies, it is

also often the case that large net purchases occur around market highs and net redemptions around market lows, which may be inopportune times to invest or liquidate portfolio positions, respectively. In a falling market situation, for example, redemptions increase and liquidations in the open-end fund portfolio must increase to meet those redemptions. If cash reserves, temporary investments and borrowings are exhausted, the result may be that more liquid securities will be sold, leaving the open-end fund with the less-liquid securities in the fund s portfolio which are not as well suited to meeting future redemptions or changes in investment strategy. Open-end investment companies generally may not invest more than 15% of their assets in illiquid securities and are more limited than closed-end funds in their ability to use leverage. If the Fund were to convert to an open-end fund, these restrictions could limit the Fund s ability to fully implement its new investment objective and investment policies approved by shareholders at the Fund s 2005 annual meeting of shareholders.

(2) EFFECT OF REDEMPTIONS. Substantial redemptions could result in an increase in the Fund s expense ratio. In particular, a reduction in size of the Fund would result in the fixed expenses of the Fund being spread over a smaller asset base, thereby increasing the per-share effect of those expenses. Significant redemptions could also increase the Fund s portfolio turnover rate above its normal levels, thereby increasing Fund expenses. Closed-end funds typically experience net redemptions immediately after conversion to open-end status, although the potential redemption fee mentioned below may reduce the number of redemptions that would otherwise occur.

These redemptions could reduce the Fund to a smaller size than is economically viable. If the Fund decreased in size, the expense ratio may increase because the cost of many services may remain the same although the size of the Fund will have decreased. Of course, if the size of the Fund increases, the Fund s expense ratio may be reduced.

Since conversion of the Fund to an open-end investment company could result in substantial redemptions, maintaining the Fund as a closed-end fund could be beneficial to the Adviser because the Adviser s investment management fee is based on the asset level of the Fund.

(3) DISTRIBUTION COSTS. If the Fund converts to open-end status, it will need to have an effective distribution system in place in order to avoid erosion in its asset base through redemptions. The distribution and marketing of open-end funds involve additional costs. These costs may be paid either by purchasers (in the case of a front-end sales charge) or by current shareholders (in the case of a plan of distribution adopted under Rule 12b-1 (a 12b-1 Plan), which would require approval by shareholders). If the Conversion Proposal is approved by shareholders, the Board may consider the implementation of a 12b-1 Plan providing for distribution-related payments by the Fund at an annual rate of up to 0.75% of the Fund s average net assets. Redemption fees and contingent deferred sales charges may also be employed.

(4) ADDITIONAL COSTS OF OPERATING AN OPEN-END FUND. Open-end funds are generally more expensive to operate and administer than closed-end funds. The Fund s per-share expense ratio would likely increase for the reasons mentioned above under Effect of Redemptions and Distribution Costs and the fact that transfer agency expenses are generally higher for an open-end fund. If the Fund s assets remain unchanged, and assuming Rule 12b-1 fees and other expenses commensurate with those of other open-end funds in the TCW family, management estimates that the Fund s per-share expense ratio would increase from its current level of 0.85% to 1.10% and, assuming the same distribution and transfer agent expenses, in the event of a 25%, 35%, 45% or 55% decrease in average net assets, the Fund s per-share expense ratio would increase to

1.25%, 1.30%, 1.37% and 1.46%, respectively. Neither the Fund nor the Adviser has any way of accurately predicting the precise level of shareholder redemption activity, if any, should the Fund convert to open-end status.

(5) TAXES/CAPITAL GAINS. If the Fund were to experience substantial redemptions of its shares following the conversion to an open-end investment company, it would likely be required to sell portfolio securities. If the Fund s basis in the portfolio securities sold is less than the sale price obtained, net capital gain may be realized. U.S. tax law imposes both an income tax and an excise tax on net capital gain realized by closed-end and open-end funds unless the fund distributes net capital gain to all shareholders, in which case the shareholders would be subject to tax on such gain. However, any such taxable gains realized by the Fund would be offset, in whole or in part, by any existing capital loss carryover which, to the extent of such offset, would reduce the capital gain distributed to, and recognized by, shareholders. As of December 31, 2005, the Fund had $2,637,370 in unrealized capital gains, and had capital loss carryforwards of $18,716,120, $61,853,273, and $10,749,289 expiring in 2009, 2010 and 2011, respectively, which may be used to offset future capital gains. However, if the Fund remains a closed-end fund, the capital loss carryovers may be used in the ordinary course for the benefit of shareholders, and the Fund would not be forced to realize capital gains as a result of redemptions. Neither the Fund nor the Adviser has any way of accurately predicting the precise level of shareholder redemption activity, if any, and the resulting tax consequences should the Fund convert to open-end status.

(6) REINVESTMENT OF DIVIDENDS AND DISTRIBUTIONS. Like the plans of many other closed-end funds, the Fund s Dividend Reinvestment Plan (the Plan) permits shareholders to elect to reinvest their dividends and distributions on a different basis than would be the case if the Fund converted to an open-end investment company. Currently, if the Fund s shares are trading at a discount from net asset value per share, the agent for the Plan will attempt to buy as many of the shares as are needed for this purpose on the NYSE or elsewhere. This permits a reinvesting shareholder to benefit by purchasing additional shares at a discount, and this buying activity may tend to lessen any discount. If the Fund s shares are trading at a premium, reinvesting shareholders are issued shares at the higher of net asset value or 95% of the market price. This method of reinvestment of dividends and distributions is an advantage that is not offered by open-end investment companies, which reinvest dividends or distributions at net asset value per share. Consequently, participants in the Plan would lose the compounding benefit of reinvesting their distributions at a price below net asset value per share (when Fund shares are trading at a discount) and, thereby, the opportunity to realize a profit (to the extent that Fund shares subsequently trade at a lower discount or at a premium). The positive result of reinvesting at a price below net asset value per share can be significant, particularly given the compounding effect over time.

(7) CONVERSION COSTS. The process of converting the Fund to an open-end fund would involve additional printing, securities registration, legal, other professional costs and other expenses of establishing a new structure. These costs, many of which would be non-recurring, include costs associated with the preparation of a registration statement and prospectus as required by federal securities laws and the payment of fees in connection with notice filings under state securities laws. The Fund estimates that these costs, which would be paid by the Fund, would be at least $150,000.

(8) DE-LISTING FROM NYSE. The Fund s shares are currently listed on the NYSE. A listing on a U.S. stock exchange, and in particular the NYSE, may be beneficial, especially in terms of attracting non-U.S.

investors. In addition, certain investors, such as pension funds, have internal restrictions on the amount of their portfolio which can be invested in non-listed securities. Due to their redemption features, open-end funds are not traded on exchanges. Conversion to an open-end fund would require immediate de-listing of the Fund from the NYSE, and thus any advantage related to being listed on the NYSE would be lost.

In addition, the Fund is currently exempt from state securities regulation because of its NYSE listing. Upon de-listing, the Fund would be required to make state notice filings and pay state fees. The Fund would thus save the annual NYSE fees of $70,000, but would as a result of de-listing have to pay state blue sky fees, depending on the channel of distribution of the Fund s shares.

(9) EXPECTATIONS OF SHAREHOLDERS. The Fund was organized in the closed-end structure and has operated as such since its inception in 1987. The Board of Directors and the Adviser believe that given the consistent operation of the Fund in the closed-end structure for over 19 years, the shareholder base of the Fund has chosen to invest in the Fund on the basis of this structure, and that the significant changes to the Fund that would be necessitated by the conversion to open-end status, and the potential consequences of these changes, as discussed above, would at this time not be consistent with these expectations.

POTENTIAL OPEN-END FUND ADVANTAGES AND/OR CLOSED-END FUND DISADVANTAGES

(1) REDEEMABILITY OF SHARES; ELIMINATION OF DISCOUNT. Shareholders of an open-end fund have the right to redeem their shares at any time (except in certain circumstances as authorized by the Act, at the net asset value per share of such shares (less any applicable redemption or contingent deferred sales charges)). The ability to obtain net asset value per share for their shares will constitute an immediate benefit to shareholders of the Fund to the extent that shares are trading at a discount to net asset value. While shareholders in a closed-end fund generally pay a brokerage commission when they buy or sell the closed-end fund shares on a stock exchange, shareholders in open-end funds do not incur a brokerage commission when they purchase or redeem their shares, although redemption fees and/or contingent deferred sales charges may apply. Contingent deferred sales charges would only be applicable to new shares sold by the Fund after conversion to open-end status.

(2) SHAREHOLDER SERVICES. Open-end funds typically provide more services to shareholders than closed-end funds. One service that is frequently offered by open-end funds is an exchange privilege which enables shareholders to transfer their investment from one fund into another fund which is part of a family of open-end funds, at little or no cost to shareholders. This permits the exchange of shares at relative net asset value per share when the holder s investment objectives change. Other services that could be offered include use of the Fund by retirement plans and permitting purchases and sales of shares in convenient amounts. There are, of course, additional costs for these services, some of which might need to be borne by the Fund, which must be weighed against the anticipated benefit of the particular service. There can be no assurance that any such services would be made available to Fund shareholders if the Conversion Proposal were approved.

(3) RAISING CAPITAL. A closed-end fund trading at a discount may not be able to raise capital through share sales (other than through a rights offering) when it believes further investment would be advantageous, because the Act restricts the ability of a closed-end fund to sell its shares at a price below net asset value. Open-end funds, on the other hand, are priced at net asset value and therefore can sell additional shares at any

time. This ability to raise new money can achieve greater economies of scale and improve investment management although, as noted below, this assumes a functioning share distribution network, and cash inflows may not occur at the most opportune times.

(4) ELIMINATION OF ANNUAL SHAREHOLDER MEETINGS. As a closed-end fund listed on the NYSE, the Fund is subject to NYSE rules requiring annual meetings of shareholders. Unlike the Fund, open-end funds are not required to hold annual shareholder meetings, except in special circumstances where shareholder approval is required under the Act. This would result in some cost savings to the Fund.

MEASURES TO BE ADOPTED IN THE EVENT THE FUND BECOMES AN OPEN-END FUND

If the Shareholders vote to convert the Fund to an open-end fund, the Board of Directors may take the following actions.

(1) REDEMPTION FEE. In order to reduce the number of redemptions of the Fund s shares immediately following conversion (thereby reducing any disruption of the Fund s normal portfolio management), offset the brokerage and other costs of such redemptions and address any abuses associated with short-term trading, the Board of Directors may decide that the Fund should impose a fee, to be retained by the Fund, of up to 2% of the redemption proceeds payable by the Fund on all redemptions. Such a fee would be similar to fees that have been proposed by other funds considering a conversion from closed-end to open-end status. The Board would also consider whether to pay for redeemed shares partly or entirely in portfolio securities.

In addition, in order to reduce administrative burdens incurred in monitoring numerous small accounts, the Fund would likely require that an initial investment in Fund shares be in a minimum amount.

(2) UNDERWRITING AND DISTRIBUTION. If the shareholders vote to convert the Fund to an open-end investment company, the Board of Directors would consider whether to select a distributor of the Fund s shares. Fund shares could be offered and sold directly by the Fund itself, by a distributor and by any other broker-dealers who enter into selling agreements with the distributor. TCW Brokerage Services (TCW Brokerage), an affiliate of the Adviser, currently serves as distributor for the open-end mutual funds managed by the Adviser. However, the Fund has engaged in no discussions with TCW Brokerage or other prospective distributors, and there can be no assurance regarding whether satisfactory arrangements with a distributor would be achieved. The Board of Directors reserves the right to cause the Fund to enter into a distribution agreement with a distributor in such form and subject to such conditions as the Board of Directors deems desirable. If a distributor were selected, there could be no assurance that any distribution network would be able to generate sufficient sales of Fund shares to offset redemptions, particularly in the initial months following conversion.

(3) EFFECT ON THE FUND S ARTICLES OF INCORPORATION. If the Conversion Proposal is approved by shareholders, the Fund s Articles of Incorporation will be amended and restated in their entirety to reflect the change in the Fund s sub-classification under the Act from a closed-end investment company to an open-end investment company, and to provide, among other things: that the Fund will conduct and carry on the business of an open-end investment company, and that the Fund s common stock will be redeemable at the option of shareholders; that the Board will have the authority to create classes of shares, to increase the number of shares of any class, and to reclassify issued and unissued shares, in each case without the consent of

shareholders; that the Board will have the right to set standards for redemption (including the ability to impose redemption or other charges); that the Fund will not be required to hold annual shareholder meetings; the manner in which the Fund s net asset value is calculated; and that the Board may redeem the shares of a shareholder under various circumstances (including if the net asset value of the shares held by any shareholder is less than a minimum amount). In addition, the 10% Threshold provision will be removed from the Articles of Incorporation, and provisions in the current Articles of Incorporation requiring a super-majority vote for certain mergers and consolidation involving the Fund and the dissolution or sale of all or substantially all of the assets of the Fund will be removed, which will enable such matters to be approved by a majority of the outstanding shares of the Fund or, in certain cases, by the Board of Directors without shareholder approval. A copy of the Amended and Restated Articles of Incorporation is attached hereto as Appendix A.

(4) TIMING. If the Conversion Proposal is approved by shareholders, a number of steps would be required to implement such conversion, including the preparation, filing and effectiveness of a registration statement under the Securities Act of 1933 covering the offering of Fund shares, the establishment of distribution arrangements, and the negotiation and execution of a new or amended agreement with the Fund s transfer agent. The Fund anticipates that such conversion would become effective by March 31, 2007, although there is no assurance of this, and that the discount, if any, at which the Fund s shares trade in relation to their net asset value would be reduced in anticipation of the ability to redeem shares at net asset value upon the completion of the conversion. The Articles of Amendment and Restatement of the Fund s Articles of Incorporation would not be filed until the Fund s registration statement under the Securities Act of 1933 covering the offering of the Fund s shares has become effective.

(5) SHAREHOLDER APPROVAL OF CERTAIN ITEMS. Should the Fund convert to an open-end investment company, certain aspects of the operation of the Fund subsequent to its conversion may need to be approved by the Fund s shareholders, and the Fund expects that a special meeting of shareholders would be scheduled for that purpose as soon as practicable, to be held prior to the conversion. These matters may include, among other things, making any changes in the Fund s fundamental investment policies or investment advisory agreement considered appropriate for an open-end fund, and considering the adoption of a Rule 12b-1 Plan consistent with the system selected by the Board of Directors for future distribution of the Fund s shares. In addition, the Board of Directors may consider the advisability of a proposal to reorganize the Fund through a merger with or transfer of assets and liabilities to an existing open-end mutual fund, including a similar open-end mutual fund managed by the Adviser, or to liquidate and dissolve the Fund. No determination has been made by the Board as to any of these matters.

For the foregoing reasons, the Board of Directors believes that, notwithstanding the benefit which those shareholders who would wish to redeem their shares over the short term would derive from conversion of the Fund to open-end status, it is in the best interests of the Fund and its shareholders for the Fund to remain a closed-end fund at this time.

The Fund s Board of Directors, including the Independent Directors, recommends that shareholders vote Against conversion to open-end status under Proposal 2. Unmarked proxies will be so voted.

3. OTHER MATTERS

The proxy holders have no present intention of bringing before the Annual Meeting for action any matters other than those specifically referred to above, nor has the management of the Fund any such intention. Neither the proxy holders nor the management of the Fund is aware of any matters which may be presented by others. If any other business properly comes before the Annual Meeting, the proxy holders intend to vote thereon in accordance with their best judgment.

VOTING AND OTHER INFORMATION

Voting Requirements

For purposes of this Annual Meeting, a quorum is present to transact business if the holders of a majority of the outstanding shares of the Fund entitled to vote at the Annual Meeting are present in person or by proxy. For purposes of determining the presence of a quorum at the Annual Meeting, abstentions and broker non-votes (that is, proxies from brokers or nominees indicating that such persons have not received instructions from the beneficial owner or other persons entitled to vote shares on a particular proposal with respect to which the brokers or nominees do not have discretionary power) will be treated as shares that are present. Assuming a quorum is present, the following rules will apply to each item contained in this Proxy Statement:

(a) *Item 1 Election of Directors.* A plurality of the votes cast at the Annual Meeting is required to elect each of the Directors.

(b) *Item 2 Proposal Regarding Conversion to Open-End Investment Company*. The affirmative vote of holders of two-thirds of the total number of shares of Common Stock outstanding is required to adopt the proposal regarding conversion to open-end status.

For purposes of the election of Directors, abstentions will not be counted as votes cast and will have no effect on the result of the vote. Proxies from brokers or nominees indicating that such persons have not received instructions from the beneficial owner or other persons entitled to vote shares on Proposal 1 will be voted For that proposal. An abstention as to Proposal 2 will be treated as present and will have the effect of a vote against that proposal. Proxies from brokers or nominees indicating that such persons have not received instructions from the beneficial owner or other persons entitled to vote shares on Proposal 2 will be treated as present but will not be voted with respect to Proposal 2 and will have the effect of a vote against Proposal 2.

Other Information

Investment Adviser:	TCW Investment Management Company, 865 South Figueroa Street, Los Angeles, California 90017.
Administrator:	Investors Bank & Trust Company, 200 Clarendon Street, Boston, Massachusetts 02116.

Household Mailings

The Fund reduces the number of duplicate annual and semi-annual reports and proxy statements a household receives by sending only one copy of those documents to those addresses shared by two or more accounts (unless the Fund receives contrary instructions). Write the Fund at 865 South Figueroa Street, Los Angeles, California 90017 or telephone it at 1-877-829-4768 to request individual copies of reports and proxy statements, or to request a single copy of reports and proxy statements if receiving duplicate copies. The Fund will begin sending a household single or multiple copies, as requested, as soon as practicable after receiving the request.

Corporate Governance Listing Standards

In accordance with Section 303A.12(a) of the NYSE Listed Company Manual, the Fund s Annual CEO Certification certifying as to compliance with the NYSE s corporate governance listing standards was submitted to the NYSE on August 4, 2006. In addition, on March 9, 2006, the Fund filed the required CEO/CFO certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 as an exhibit to its Form N-CSR for the year ended December 31, 2005.

Shareholder Proposals

The Fund holds annual meetings of shareholders. A shareholder s proposal intended to be presented at the Fund s 2007 annual meeting of shareholders must be received by • , 2007, in order to be included in the Fund s proxy statement and form of proxy relating to the meeting. Timely submission of a proposal does not, however, necessarily mean that the proposal will be included. A shareholder who wishes to make a proposal at the 2007 annual meeting of shareholders without including the proposal in the Fund s proxy statement must notify the Secretary of the Fund in writing of such proposal between June 28, 2007 and July 28, 2007. The persons named as proxies for the 2007 annual meeting of shareholders will, with respect to the proxies in effect at such meeting, have discretionary authority to vote on any matter presented by a shareholder for action at that meeting unless the Fund receives notice of the matter by • , 2007. If the Fund receives such timely notice, these persons will not have this authority except as provided in the applicable rules of the SEC.

Adjournment

The vote required to adjourn the Annual Meeting is a majority of all the votes cast on the matter by stockholders entitled to vote at the Annual Meeting who are present in person or by proxy. If a quorum is not present in person or by proxy at the time the Annual Meeting is called to order, the chairman of the Annual Meeting or the stockholders may adjourn the Annual Meeting. In such a case, the persons named as proxy holders will vote all proxies in favor of the adjournment. If a quorum is present but there are not sufficient votes to approve a proposal, the chairman of the Annual Meeting may, with respect to that proposal, adjourn the Annual Meeting or the persons named as proxy holders may propose one or more adjournments of the Annual Meeting to permit further solicitation of proxies. In such a case, the persons named as proxy holders will vote those proxies which they are entitled to vote in favor of the proposal FOR the adjournment, and will vote those proxies required to be voted against the proposal AGAINST the adjournment as to that proposal, and broker non-votes and abstentions will not be voted either for or against the adjournment.

By Order of the Board of Directors

PHILIP K. HOLL

Secretary

August •, 2006

Please complete, date and sign the enclosed proxy and return it promptly in the enclosed reply envelope. NO POSTAGE IS REQUIRED if mailed in the United States.

A copy of the Fund s annual report for the year ended December 31, 2005 and a copy of the Fund s most recent semi-annual report once published are available without charge upon request by writing the Fund at 865 South Figueroa Street, Los Angeles, California 90017 or telephoning it at 1-877-829-4768.

APPENDIX A

TCW STRATEGIC INCOME FUND, INC.

ARTICLES OF AMENDMENT AND RESTATEMENT

The TCW Strategic Income Fund, Inc. (hereinafter called the Corporation) hereby certifies to the State Department of Assessments and Taxation of Maryland that:

FIRST, The text of the Articles of Incorporation of the Corporation is amended and as so amended is restated in its entirety by striking out Articles I through XI and inserting in lieu thereof the following:

FIRST: The name of the corporation (hereinafter called the Corporation) is:

TCW STRATEGIC INCOME FUND, INC.

TCW Investment Management Company (TCWMC) has consented to the use by the Corporation of the identifying name TCW which the Corporation acknowledges is the property of TCWMC. The Corporation will only use the name TCW as a component of its name and for no other purpose, and will not purport to grant to any third party the right to use the name TCW for any purpose. TCWMC may grant to others the right to use the name TCW as all or a portion of a corporate or business name or for any commercial purpose, including a grant of such right to any other investment company whether now existing or hereafter created. At the request of TCWMC, the Corporation will take such action as may be required to provide its consent to the use by TCWMC or any person to whom TCWMC has granted the right to the use of the name TCW . Upon the termination of any investment advisory agreement into which TCWMC or any of its affiliates and the Corporation may enter, the Corporation shall, upon the request of TCWMC, cease to use the name TCW as a component of its name, and shall not use the name as a part of its name or for any other commercial purpose, and shall cause its request to effect the foregoing and to reconvey to TCW or any of its affiliates any and all rights to such name. The foregoing agreements on the part of the Corporation are hereby made binding upon it, its directors, officers, shareholders, creditors and all other persons claiming under or through it. For purposes of the paragraph, reference to TCWMC shall include any of its affiliates other than the Corporation and any successor or assignee thereof.

SECOND: The purposes for which the Corporation is formed are to conduct and carry on the business of an open-end investment company under the Investment Company Act of 1940, as from time to time amended (hereinafter, together with any rules, regulations or orders issued thereunder, referred to as the 1940 Act), and to engage in all lawful business for which corporations may be organized under the Maryland General Corporation Law.

THIRD: The Corporation is expressly empowered as follows:

(1) To hold, invest and reinvest its assets in securities and other investments and in connection therewith to hold part or all of its assets in cash.

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(2) To redeem, issue and sell shares of its capital stock in such amounts and on such terms and conditions and for such purposes and for such amount or kind of consideration as may now or hereafter be permitted by law.

(3) To redeem, purchase or otherwise acquire, hold, dispose of, resell, transfer, reissue or cancel (all without the vote or consent of the shareholders of the Corporation) shares of its capital stock, in any manner and to the extent now or hereafter permitted by law and by the Charter of the Corporation (the Charter).

(4) To enter into a written contract or contracts with any person or persons providing for a delegation of the management of all or part of the Corporation s securities portfolio and also for the delegation of the performance of various administrative or corporation functions, subject to the direction of the Board of Directors. Any such contract or contracts may be made with any person even though such person may be an officer, other employee, director or shareholder of the Corporation or a corporation, partnership, trust or association in which any such officer, other employee, director or shareholder may be interested.

(5) To enter into a written contract or contracts employing such custodian or custodians for the safekeeping of the property of the Corporation, such dividend disbursing agent or agents and such transfer agent or agents for its shares, on such terms and conditions as the Board of Directors of the Corporation may deem reasonable and proper for the conduct of the affairs of the Corporation, and to pay the fees and disbursements of such custodians, dividend disbursing agents and transfer agents out of the income and/or any other property of the Corporation. Notwithstanding any other provisions of the Charter or the Bylaws of the Corporation (the Bylaws), the Board of Directors may cause any or all of the property of the Corporation to be transferred to, or to be acquired and held in the name of, a custodian so appointed or any nominee or nominees of the Corporation or nominee or nominees of such custodian satisfactory to the Board of Directors.

(6) To do any and all such further acts or things and to exercise any and all such further powers or rights as may be necessary, incidental, relative, conducive, appropriate or desirable for the accomplishment, carrying out or attainment of the purposes stated in Article SECOND and the powers stated in this Article THIRD.

FOURTH: The post office address of the principal office of the Corporation in the State of Maryland is c/o The Corporation Trust Incorporated, 300 East Lombard Street, Suite 1400, Baltimore, Maryland 21202. The name of the resident agent of the Corporation in this State is The Corporation Trust Incorporated, a corporation of this State, and the post office address of the resident agent is 300 East Lombard Street, Suite 1400, Baltimore, Maryland 21202.

FIFTH: (a) The total number of shares of stock of all classes which the Corporation has authority to issue is ten billion (10,000,000,000) shares of capital stock (par value $.01 per share) amounting in aggregate par value to $100,000,000. All of such shares are initially designated as Common Stock. The Board of Directors may classify and reclassify any unissued shares of capital stock into one or more classes or series as may be established from time to time by setting or changing in any one or more respects the designations, preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends, qualifications or terms or conditions of redemption of such shares of stock. The Board of Directors may also redesignate the issued shares of capital stock or of any class or series of capital stock provided that such redesignation does not affect the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends, qualifications or terms or conditions of redemption of such shares of stock, and provided further that each of the shares of capital stock outstanding as of the date hereof shall remain outstanding subject to the terms of this Amendment and Restatement.

(b) Subject to the Board of Directors power of classification and reclassification, the following is a description of the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications and terms and conditions of redemption of shares of capital stock of the Corporation and of any additional shares of capital stock or class or series of capital stock of the Corporation (unless provided otherwise by the Board of Directors with respect to any such additional class or series at the time of establishing and designating such additional class or series) (collectively, the Shares).

(1) **Assets Belonging to a Class or Series.** All consideration received by the Corporation from the issue or sale of shares of a particular class or series, together with all assets in which such consideration is invested or reinvested, all income, earnings, profits, and proceeds thereof, including any proceeds derived from the sale, exchange or liquidation of such assets, and any funds or payments derived from any reinvestment of such proceeds in whatever form the same may be, shall irrevocably belong to that class or series for all purposes, subject only to the rights of creditors, and shall be so recorded upon the books of account of the Corporation. Such consideration, assets, income, earnings, profits, and proceeds thereof, including any proceeds derived from the sale, exchange or liquidation of such assets, and any funds or payments derived from any reinvestment of such proceeds, in whatever form the same may be, together with any assets, income, earnings, profits, and proceeds thereof, funds, or payments which are not readily identifiable as belonging to any particular class or series (collectively, General Items) allocated to that class or series as provided in the following sentence, are herein referred to as assets belonging to that class or series. In the event that there are General Items, such General Items shall be allocated by or under the supervision of the Board of Directors to and among any one or more of the classes or series established and designated from time to time in such manner and on such basis as the Board of Directors, in its sole discretion, deems fair and equitable; and any General Items so allocated to a particular class or series shall belong to that class or series. Each such allocation by the Board of Directors shall be conclusive and binding for all purposes.

(2) **Liabilities Belonging to a Class or Series.** The assets belonging to each particular class or series shall be charged with the liabilities of the Corporation in respect of that class or series and all expenses, costs, charges and reserves attributable to that class or series, and any general liabilities, expenses, costs, charges or reserves of the Corporation which are not readily identifiable as belonging to any particular class or series shall be allocated and charged by or under the supervision of the Board of Directors to and among any more of the classes or series established and designated from time to time in such manner and on such basis as the Board of Directors, in its sole discretion, deems fair and equitable. The liabilities, expenses, costs, charges and reserves allocated and so charged to a class or series are herein referred to as liabilities belonging to that class or series. Each allocation of liabilities, expenses, costs, charges and reserves by the Board of Directors shall be conclusive and binding for all purposes.

(3) **Income Belonging to a Class or Series.** The Board of Directors shall have full discretion, to the extent not inconsistent with the Maryland General Corporation Law and the 1940 Act, to determine which items shall be treated as income and which items as capital; and each such determination and allocation shall be conclusive and binding. Income belonging to a class or series includes all income, earnings and profits derived from assets belonging to that class or series, less any expenses, costs, charges or reserves belonging to that class or series, for the relevant time period, all determined in accordance with generally accepted accounting principles.

(4) **Dividends.** Dividends and distributions on shares of a particular class or series may be paid with such frequency, in such form and in such amount as the Board of Directors may from time to time determine.

Dividends may be declared daily or otherwise pursuant to a standing resolution or resolutions adopted only once or with such frequency as the Board of Directors may determine, after providing for actual and accrued liabilities belonging to that class or series.

All dividends on shares of a particular class or series shall be paid only out of the income belonging to that class or series and capital gains or other distributions on shares of a particular class or series shall be paid only out of the capital gains or capital belonging to that class or series. All dividends and distributions on shares of a particular class or series shall be distributed pro rata to the holders of that class or series in proportion to the number of shares of that class or series held by such holders at the date and time of record established for the payment of such dividends or distributions, except that in connection with any dividend or distribution program or procedure, the Board of Directors may determine that no dividend or distribution shall be payable on shares as to which the shareholder s purchase order and/or payment have not been received by the time or times established by the Board of Directors under such program or procedure.

The Corporation intends to qualify as a regulated investment company under the Internal Revenue Code of 1986, or any successor or comparable statute thereto, and Regulations promulgated thereunder. Inasmuch as the computation of net income and gains for Federal income tax purposes may vary from the computation thereof on the books of the Corporation, the Board of Directors shall have the power, in its sole discretion, to distribute in any fiscal year as dividends, including dividends designated in whole or in part as capital gains distributions, amounts sufficient, in the opinion of the Board of Directors, to enable the Corporation to qualify as a regulated investment company and to avoid liability of the Corporation for Federal income tax in respect of that year. However, nothing in the foregoing shall limit the authority of the Board of Directors to make distributions greater than or less than the amount necessary to qualify as a regulated investment company and to avoid liability of the Corporation for such tax.

Dividends and distributions may be made in cash, property or additional shares of the same or another class or series, or a combination thereof, as determined by the Board of Directors or pursuant to any program that the Board of Directors may have in effect at the time for the election by each shareholder of the mode of the paying of such dividend or distribution to that shareholder. Any such dividend or distribution paid in shares shall be paid at the net asset value thereof as defined in subsection (9) below:

(5) **Liquidation.** In the event of the liquidation or dissolution of the Corporation or of a particular class or series, the shareholders of each class or series that has been established and designated and is being liquidated shall be entitled to receive, as a class or series, when and as declared by the Board of Directors, the excess of the assets belonging to that class or series over the liabilities belonging to that class or series. The holders of shares of any particular class or series shall not be entitled thereby to any distribution upon liquidation of any other class or series. The assets so distributable to the shareholders of any particular class or series shall be distributed among such shareholders in proportion to the number of shares of that class or series held by them and recorded on the books of the Corporation. Subject to the provisions of subsection (6) below, and without limiting, to the extent permitted by law, the authority of the Board of Directors to act without shareholder authorization, the liquidation of any particular class or series in which there are shares then outstanding may be authorized by vote of a majority of the Board of Directors then in office, subject to the approval of a majority of the outstanding securities of that class or series, as defined in the 1940 Act, and without the vote of the holders of any other class or series, and the liquidation or dissolution of a particular class or series may be accomplished, in whole or in

part, by the transfer of assets of such class or series to another class or series or by the exchange of shares of such class or series for the shares of another class or series.

(6) **Termination of a Class or Series.** In addition to, and not in limitation of the authorization granted in subsection (5) above, to the full extent permitted by applicable law, the Corporation may, without the vote of the shares of any class or series of capital stock of the Corporation then outstanding and if so determined by the Board of Directors:

(i) Sell and convey the assets belonging to a class or series of capital stock to another corporation or a trust that is a management investment company (as defined in the 1940 Act) and is organized under the laws of any state of the United States for consideration which may include the assumption of all outstanding obligations, taxes and other liabilities, accrued or contingent, belonging to such class or series and which may include securities issued by such trust or corporation. Following such sale and conveyance, and after making provision for the payment of any liabilities belonging to such class or series that are not assumed by the purchaser of the assets belonging to such class or series, the Corporation may, at its option, redeem all outstanding shares of such class or series at the net asset value thereof as determined by the Board of Directors in accordance with the provisions of applicable law, less such redemption fee or other charge, if any, as may be fixed by resolution of the Board of Directors. Notwithstanding any other provision of the Charter to the contrary, the redemption price may be paid in any combination of cash or other assets belonging to the class or series, including but not limited to the distribution of the securities or other consideration received by the Corporation for the assets belonging to such class or series upon such conditions as the Board of Directors deems, in its sole discretion, to be appropriate consistent with applicable law and the Charter;

(ii) Sell and convert the assets belonging to a class or series of capital stock into money and, after making provision for the payment of all obligations, taxes and other liabilities, accrued or contingent, belonging to such class or series, the Corporation may, at its option (1) redeem all outstanding shares of such class or series at the net asset value thereof as determined by the Board of Directors in accordance with the provisions of applicable law, less such redemption fee or other charge, if any, as may be fixed by resolution of the Board of Directors upon such conditions as the Board of Directors deems, in its sole discretion, to be appropriate consistent with applicable law and the Charter, or (2) combine the assets belonging to such class or series following such sale and conversion with the assets belonging to any one or more other class or series of capital stock of the Corporation pursuant to and in accordance with subsection (6)(iii) below; or

(iii) Combine the assets belonging to a class or series of capital stock with the assets belonging to any one or more other classes or series of capital stock of the Corporation if the Board of Directors reasonably determines that such combination will not have a material adverse effect on the shareholders of any class or series of capital stock of the Corporation participating in such combination. In connection with any such combination of assets the shares of any class or series of capital stock of the Corporation then outstanding may, if so determined by the Board of Directors, be converted into shares of any other class, classes, or series of capital stock of the Corporation with respect to which conversion is permitted by applicable law, or may be redeemed, at the option of the Corporation, at the next asset value thereof as determined by the Board of Directors in accordance with the provisions of applicable law, less such redemption fee or other charge, or conversion cost, if any, as may be fixed by resolution of the Board of Directors upon such conditions as the Board of Directors deems, in its sole discretion, to be appropriate consistent with applicable law and the Charter. Notwithstanding any other provision

of the Charter to the contrary, any redemption price, or part thereof, paid pursuant to this subsection (6)(iii) may be paid in shares of any other existing or future class, classes or series of capital stock of the Corporation.

(7) **Redemption by Shareholder.** Each holder of shares of a particular class or series shall have the right to require the Corporation to redeem all or any part of his shares of that class or series at a redemption price per share equal to the net asset value per share of that class or series next determined (in accordance with subsection (9)) after the shares are properly tendered for redemption, less such deferred sales charge or redemption charge, if any, as is determined by the Board of Directors, which redemption charge shall not exceed such amount as may be permissible under the 1940 Act. Payment of the redemption price shall be in cash; provided, however, that if the Board of Directors determines, which determination shall be conclusive, that conditions exist which make payment wholly in cash unwise or undesirable, the Corporation may make payment wholly or partly in securities or other assets belonging to the class or series of which the shares being redeemed are part at the value of such securities or assets used in such determination of net asset value. The right of a holder of stock redeemed by the Corporation to receive dividends thereon and all other rights with respect to the shares shall terminate at the time as of which the redemption price has been determined, except the right to receive the redemption price and any dividend or distribution to which the holder had become entitled as the record holder of the shares on the record date for that dividend or distribution. The Board of Directors may establish other terms and conditions and procedures for redemption, including requirements as to delivery of certificates evidencing shares, if issued.

Notwithstanding the foregoing, the Corporation may postpone payment of the redemption price and may suspend the right of the holders of shares of any class or series to require the Corporation to redeem shares of the class or series during any period or at any time when and to the extent permissible under the 1940 Act.

(8) **Redemption by Corporation.** Without being subject to the provisions of section 2-310.1 of the Maryland General Corporation Law, or any amendment or successor thereto, the Board of Directors may cause the Corporation to redeem at net asset value the shares of any class or series from a holder who has, for a period of more than six months, had in his account shares of that class or series having an aggregate net asset value (determined in accordance with subsection (9)) of less than the amount fixed by the Board of Directors, provided that such amount shall not exceed the minimum initial investment amount then applicable to that account as set forth in the Corporation s registration statement under the Securities Act of 1933, as amended, if at least sixty (60) days prior written notice of the proposed redemption has been given to such holder by postage paid mail to his last known address. Upon redemption of shares pursuant to this subsection, the Corporation shall promptly cause payment of the full redemption price to be made to the holder of shares so redeemed.

(9) **Net Asset Value Per Share.** The net asset value per share of any class or series shall be the quotient obtained by dividing the value of the net assets of that class or series (being the value of the assets belonging to that class or series less the liabilities belonging to that class or series) by the total number of shares of that class or series outstanding, all determined by the Board of Directors in accordance with generally accepted accounting principles and not inconsistent with the 1940 Act.

The Board of Directors may determine to maintain the net asset value per share of any class or series at a designated constant dollar amount and in connection therewith may adopt procedures not inconsistent with the 1940 Act for the continuing declarations of income attributable to that class or series as dividends payable in additional shares of that class or series at the designated constant dollar amount and for the handling of any

losses attributable to that class or series. Such procedures may provide that in the event of any loss, each shareholder shall be deemed to have contributed to the capital of the Corporation attributable to that class or series his pro rata portion of the total number of shares required to be cancelled in order to permit the net asset value per share of that class or series to be maintained, after reflecting such loss, at the designated constant dollar amount. Each shareholder of the Corporation shall be deemed to have agreed, by his investment in any class or series with respect to which the Board of Directors shall have adopted any such procedure, to make the contribution referred to in the preceding sentence in the event of any such loss.

(10) **Equality.** All shares of each particular class or series shall represent an equal proportionate interest in the assets belonging to that class or series (subject to the liabilities belonging to that class or series), and each share of any particular class or series shall be equal to each other share of that class or series. The Board of Directors may from time to time divide or combine the shares of any particular class or series into a greater or less number of shares of that class or series without thereby changing the proportionate beneficial interest in the assets belonging to that class or series or in any way affecting the rights of shares of any other class or series.

(11) **Conversion or Exchange Rights.** Subject to compliance with the requirements of the 1940 Act, the Board of Directors shall have the authority to provide that holders of shares of any class or series shall have the right to convert or exchange said shares into shares of one or more other classes or series of shares in accordance with such requirements and procedures as may be established by the Board of Directors.

(12) **Fractional Shares.** The Corporation may issue and sell fractions of shares having pro rata all the rights of full shares (except any right to receive a stock certificate evidencing such fractional shares), including, without limitation, the right to vote and to receive dividends, and wherever the words share or shares are used in the Charter or in the Bylaws, they shall be deemed to include fractions or shares, where the context does not clearly indicate that only full shares are intended.

(13) **Stock Certificates.** The Corporation shall not be obligated to issue certificates representing shares of any class or series.

(c) The power of the Board of Directors to classify and reclassify any of the shares of capital stock shall include, without limitation, subject to the provisions of the Charter, authority to classify or reclassify any unissued shares of such stock into one or more classes or series of capital stock, special stock or other stock, and to subdivide and resubdivide shares of any class or series into one or more subclasses or subseries of such class or series, by determining, fixing, or altering one or more of the following:

(1) The distinctive designation of such class or series and the number of shares to constitute such class or series; provided that, unless otherwise prohibited by the terms of such or any other class or series, the number of shares of any class or series may be decreased by the Board of Directors in connection with any classification or reclassification of unissued shares and the number of shares of such class or series may be increased by the Board of Directors in connection with any such classification or reclassification, and any shares of any class or series which have been redeemed, purchased, otherwise acquired or converted into shares of capital stock of any other class or series shall become part of the authorized capital stock and shall be subject to classification and reclassification as provided in this section.

(2) Whether or not and, if so, the rates, amounts and times at which, and the conditions under which, dividends shall be payable on shares of such class or series, whether any such dividends shall rank senior or junior to or on a parity with the dividends payable on any other class or series of stock, and the status of any such dividends as cumulative, cumulative to a limited extent or non-cumulative and as participating or non participating.

(3) Whether or not shares of such class or series shall having voting rights, in addition to any voting rights provided by law and, if so, the terms of such voting rights.

(4) Whether or not shares of such class or series shall have conversion or exchange privileges and, if so, the terms and conditions thereof, including provision for adjustment of the conversion or exchange rate in such events or at such times as the Board of Directors shall determine.

(5) Whether or not shares of such class or series shall be subject to redemption and, if so, the terms and conditions of such redemption, including the date or dates upon or after which they shall be redeemable and the amount per share payable in case of redemption, which amount may vary under different conditions and at difference redemption dates; and whether or not there shall be any sinking fund or purchase account in respect thereof, and if so, the terms thereof.

(6) The rights of the holders of shares of such class or series upon the liquidation, dissolution or winding up of the affairs of, or upon any distribution of the assets of, the Corporation, which rights may vary depending upon whether such liquidation, dissolution or winding up is voluntary or involuntary and, if voluntary, may vary at different dates, and whether such rights shall rank senior or junior to or on a parity with such rights of any other class or series of stock.

(7) Whether or not there shall be any limitations applicable, while shares of such class or series are outstanding, upon the payment of dividends or making of distributions on, or the acquisition of, or the use of moneys for purchase or redemption of, any stock of the Corporation, or upon any other action of the Corporation, including acting under this Section, and, if so, the terms and conditions thereof.

(8) Whether or not the assets of any class or series shall be invested in a common pool of investments with those of one or more other classes or series.

(9) Any other preferences, rights, restrictions, including restrictions on transferability, and qualifications of shares of such class or series, not inconsistent with applicable law and the Charter.

(d) Unless otherwise prohibited by law, so long as the Corporation is registered as an open-end investment company under the 1940 Act, the Board of Directors shall have the power and authority, without the approval of the holders of any outstanding shares, to increase or decrease the number of shares of capital stock or the number of shares of capital stock of any class or series that the Corporation has authority to issue.

(e) All persons who shall acquire stock in the Corporation shall acquire the same subject to the provisions of the Charter and Bylaws.

(f) Any determination made in good faith by or pursuant to the direction of the Board of Directors as to the amount of the assets, debts, obligations or liabilities of the Corporation, as to the amount of any reserves or charges set up and the propriety thereof, as to the time of or purpose for creating such reserves or charges, as to the use, alternation or cancellation of any reserves or charges (whether or not any debt, obligation or liability for which such reserves or charges shall have been created shall have been paid or discharged or shall be then or thereafter required to be paid or discharged), as to the value of or the method of valuing any investment or other asset owned or held by the Corporation, as to the number of shares of any class or series of stock outstanding, as to the income of the Corporation or as to any other matter relating to the determination of net asset value, the declaration of dividends of the issue, sale, redemption or other acquisition of shares of the Corporation, shall be final and conclusive and shall be binding upon the Corporation and all holders of its shares, past, present and future, and shares of the Corporation are issued and sold on the condition and understanding that any and all such determinations shall be binding as aforesaid.

SIXTH: The number of directors of the Corporation is currently eight, which number may be increased or decreased pursuant to the Bylaws, but shall never be less than the minimum number permitted by the General Laws of the State of Maryland now or hereafter in force. The names of the directors who are currently in office and who will serve until their successors are elected and qualified are as follows:

Samuel P. Bell

Richard W. Call

[Alvin R. Albe, Jr.]

Matthew K. Fong

John A. Gavin

Patrick C. Haden

Charles A. Parker

[William C. Sonneborn]

SEVENTH: The following provisions are hereby adopted for the purpose of defining, limiting and regulating the powers of the Corporation and of the directors and shareholders:

(1) The Board of Directors of the Corporation is hereby empowered to authorize the issuance from time to time of shares of its stock of any class or series, whether now or hereafter authorized, or securities convertible into shares of stock of any class or series, whether now or hereafter authorized, for such consideration as may be deemed advisable by the Board of Directors and without any action by the shareholders.

(2) Except as otherwise required by the 1940 Act, the Board of Directors shall have the exclusive power to make, alter, amend, or repeal the Bylaws.

(3) No holder of any stock or any other securities of the Corporation, whether now or hereafter authorized, shall have any preemptive right to subscribe for or purchase any stock or any other securities of the Corporation other than such, if any, as the Board of Directors, in its sole discretion, may determine and at such price or prices and upon such other terms as the Board of Directors, in its sole discretion, may fix; and any stock or other securities which the Board of Directors may determine to offer for subscription may, as the Board of Directors in its sole discretion shall determine, be offered to the holders of any class, series or type of stock or other securities

at the time outstanding to the exclusion of the holders of any or all other classes, series or types of stock or other securities at the time outstanding.

(4) The Board of Directors of the Corporation shall have power from time to time and in its sole discretion to determine whether and to what extent and at what times and places and under what conditions and regulations the books, accounts and documents of the Corporation, or any of them, shall be open to the inspection of shareholders, except as otherwise provided by statute or by the Bylaws, and, except as so provided, no shareholder shall have any right to inspect any book, account or document of the Corporation unless authorized to do so by resolution of the Board of Directors.

(5) Subject only to the provisions of the 1940 Act, a contract or other transaction between the Corporation and any of its directors or between the Corporation and any other corporation, firm or other entity in which any of its directors is a director or has a material financial interest is not void or voidable solely because of any one or more of the following: the common directorship or interest; the presence of the director at the meeting of the Board of Directors or a Committee of the Board which authorizes, approves, or ratifies the contract or transaction; or the counting of the vote of the director for the authorization, approval, or ratification of the contract or transaction. This Section applies if:

(a) the fact of the common directorship or interest is disclosed or known to: (i) the Board of Directors or a Committee of the Board and the Board or Committee authorizes, approves, or ratifies the contract or transaction by the affirmative vote of a majority of disinterested directors, even if the disinterested directors constitute less than a quorum; or (ii) the shareholders entitled to vote and the contract or transaction is authorized, approved, or ratified by a majority of the votes cast by the shareholders entitled to vote other than the votes of shares owned of record or beneficially by the interested director or corporation, firm, or other entity; or

(b) the contract or transaction is fair and reasonable to the Corporation.

Common or interested directors or the stock owned by them or by an interested corporation, firm, or other entity may be counted in determining the presence of a quorum at a meeting of the Board of Directors or a Committee of the Board or at a meeting of the shareholders, as the case may be, at which the contract or transaction is authorized, approved, or ratified. If a contract or transaction is not authorized, approved, or ratified in one of the ways provided for in Section 5(a)(ii) of this Article, the person asserting the validity of the contract or transaction bears the burden of proving that the contract or transaction was fair and reasonable to the Corporation at the time it was authorized, approved, or ratified. The procedures in this direction do not apply to the fixing by the Board of Directors of reasonable compensation for a director, whether as a director or in any other capacity.

(6) Except for contracts, transactions, or acts required to be approved under the provisions of Section (5) of this Article, any contract, transaction, or act of the Corporation or of the Board of Directors which shall be ratified by a majority of a quorum of the shareholders having voting powers at any annual meeting, or at any special meeting called for such purpose, shall so far as permitted by law be as valid and as binding as though ratified by every shareholder of the Corporation.

(7) Unless the Bylaws otherwise provide, any officer or employee of the Corporation (other than a director) may be removed at any time with or without cause by the Board of Directors or by any committee or superior officer upon whom such power of removal be conferred by the Bylaws or by authority of the Board of Directors.

(8) Notwithstanding any provision of law which provides for the authorization of any action by a greater proportion than a majority of the total number of shares of all classes or series of capital stock (or of any class or series entitled to vote thereon as a separate class or series) or of the total number of shares of any class or series of capital stock, such action shall be valid and effective if authorized by the affirmative vote of the holders of a majority of the total number of shares of all classes or series outstanding and entitled to vote thereon or of the class or series entitled to vote thereon as a separate class or series, as the case may be, except as otherwise provided in the Charter.

(9) The Corporation shall indemnify: (a) its directors to the full extent permitted by the general laws of the State of Maryland and the 1940 Act, including the advance of expenses under the procedures provided by such laws; (b) its officers to the same extent it shall indemnify its directors; and (c) its directors and officers to such further extent as shall be authorized by the Board of Directors by bylaw, resolution, or agreement or by the shareholders of the Corporation and be consistent with law. The foregoing shall not limit the authority of the Corporation to indemnify other employees and agents consistent with law. The foregoing shall not be exclusive of any other rights to which a person seeking indemnification may be entitled under any insurance policy, agreement or otherwise and shall inure to the benefit of the heirs, executors and personal representatives of such person. No amendment to the Charter or repeal of any of its provisions shall affect any right of any person under this provision based on any act or omission that occurred prior to the amendment or repeal.

(10) The Corporation reserves the right from time to time to make any amendments of its Charter which may now or hereafter be authorized by law, including any amendments changing the terms or contract rights, as expressly set forth in its Charter, of any of its outstanding stock by classification, reclassification or otherwise.

(11) So long as the Corporation is registered as an investment company under the 1940 Act, the Corporation shall not be required to hold an annual meeting of the holders of shares of any class or series in any year in which the election of directors is not required to be acted on by the shareholders under the 1940 Act.

(12) To the fullest extent permitted by Maryland statutory or decisional law, as amended or interpreted, no director or officer of this Corporation shall be personally liable to the Corporation or its shareholders for money damages. This limitation on liability applies to events occurring at the time a person serves as a director or officer of the Corporation regardless of whether or not such person is a director or officer at the time of any proceeding in which liability is asserted. No amendment of the Charter or repeal of any of its provisions shall limit or eliminate the benefits provided to directors or officers under this provision with respect to any act or omission which occurred prior to such amendment or repeal. This Section (12) shall not protect any director or officer of this Corporation against any liability to the Corporation or to its security holders to which he would otherwise be subject by reason of willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his office within the meaning of Section 17(h) of the 1940 Act.

The enumeration and definition of particular powers of the Board of Directors included in the foregoing shall in no way be limited or restricted by reference to or interference from the terms of any other clause of this or any other Article of the Charter, or construed as or deemed by inference or otherwise in any manner to exclude or limit any powers conferred upon the Board of Directors under the General Laws of the State of Maryland now or hereafter in force.

EIGHTH: The duration of the Corporation shall be perpetual.

SECOND, The Corporation desires to amend and restate its Articles of Incorporation as currently in effect. The provisions set forth in these Articles of Amendment and Restatement are all of the provisions of the Articles of Incorporation currently in effect as herein amended. The current address of the principal office of the Corporation, and the name and address of the Corporation s current resident agent are as set forth in fourth clause of the Articles of Incorporation. The number of directors is currently set at eight and their names are set forth in the sixth clause of the Articles of Amendment and Restatement. Prior to this Amendment and Restatement, the Corporation had authority to issue Seventy-Five Million (75,000,000) shares, of the par value of one cent ($0.01) per share and of the aggregate par value of Seven Hundred Fifty Thousand Dollars ($750,000), all of which shares are designated as common stock. The total number of shares of capital stock which the Corporation will have the authority to issue is Ten Billion (10,000,000,000) shares, of the par value of one cent ($0.01) per share and of the aggregate par value of One Hundred Million Dollars ($100,000,000), all of which shares are designated as common stock.

THIRD, The Amendment and Restatement of the Articles of Incorporation of the Corporation as hereinabove set forth has been duly advised by the Directors of the Corporation and approved by the stockholders pursuant to the Maryland General Corporation Law and the Charter.

FOURTH, These Articles of Amendment and Restatement shall become effective on •, 2006, at [a.m./p.m.] Eastern Time.

IN WITNESS WHEREOF, The TCW Strategic Income Fund, Inc. has caused these Articles of Amendment and Restatement to be signed in its name and on its behalf by its President, Alvin R. Albe, and witnessed by its Secretary, Philip K. Holl, as of •, 2006. The President acknowledges these Articles of Amendment and Restatement to be the corporate act of the Corporation and states that to the best of his knowledge, information and belief, the matters and facts set forth in these Articles with respect to the authorization and approval of this Amendment and Restatement of the Corporation s Articles of Incorporation are true in all material respects.

Alvin R. Albe

President

Witness

Philip K. Holl

Secretary

APPENDIX B

TCW STRATEGIC INCOME FUND, INC.

AUDIT COMMITTEE CHARTER

The Audit Committee is appointed by the Board of Directors (Board) to assist the Board in monitoring (i) the integrity of the financial statements of TCW Strategic Income Fund, Inc. (Company), (ii) the compliance by the Company with legal and regulatory requirements, (iii) the qualifications and independence of the Company s independent auditors, and (iv) the performance of the Company s internal audit function and independent auditors.

I. Audit Committee Membership and Other Qualifications

The Audit Committee shall have at least three members. No member of the Audit Committee shall be an interested person of the Company as that term is defined in Section 2(a)(19) of the Investment Company Act of 1940 (1940 Act), nor shall any member receive any consulting, advisory or other compensation from the Company except compensation for service as a member of the Board or a committee of the Board. Each member of the Audit Committee must be financially literate, as that qualification is interpreted by the Board in its business judgment, or must become financially literate within a reasonable time after appointment to the Audit Committee. At least one member of the Audit Committee must have accounting or related financial management expertise as the Board interprets such qualification in its judgment.

The Board shall determine annually whether any member of the Audit Committee is an audit committee financial expert as defined in Item 3 of Form N-CSR.

Notwithstanding any designation as an audit committee financial expert, each member of the Committee is expected to contribute significantly to the work of the Committee. Moreover, designation as an audit committee financial expert will not increase the duties, obligations or liability of the designee as compared to the duties, obligations and liability imposed on the designee as a member of the Committee and of the Board.

II. Purposes of the Audit Committee

The purposes of the Audit Committee are:

(a) to oversee the accounting and financial processes of the Company and each of its individual series and its internal control over financial reporting and, as the Audit Committee deems appropriate, to inquire into the internal control over financial reporting of certain third-party service providers;

(b) to oversee the quality and integrity of the Company s financial statements and the independent audit thereof;

(c) to appoint the Company s independent auditors and, in connection therewith, to review and evaluate the qualifications, independence and performance of the Company s independent auditors;

(d) to oversee, or, as appropriate, assist Board oversight of, the Company s compliance with legal and regulatory requirements that relate to the Company s accounting and financial reporting, internal control over financial reporting and independent audits;

(e) to act as a liaison between the Company s independent auditors and the Board.

(f) to prepare an audit committee report as required by Item 306 of Regulation S-K to be included in proxy statements relating to the election of directors; and

(g) to assist Board oversight of the Company s internal audit function (if any).

III. Duties and Powers of the Audit Committee

The following functions shall be common recurring activities of the Committee in carrying out its oversight function. These functions are set forth as a guide with the understanding that the Committee may diverge from this guide as appropriate, given the circumstances.

To carry out its purposes, the Audit Committee shall:

1. Report activities to the Board on a regular basis and make such recommendations with respect to the above and other matters as the Audit Committee may deem necessary or appropriate;

2. Approve prior to appointment the engagement of auditors to annually audit and provide their opinion on the Company s financial statements, recommend to the Board the selection, retention or termination of the Company s independent auditors and, in connection therewith, review and evaluate matters potentially affecting the independence and capabilities and independence of the auditors. In evaluating the auditor s qualifications, performance and independence, the Audit Committee must, among other things, obtain and review a report by the auditor, at least annually, describing the following items:

   (a) all relationships between the independent auditor and the Company, as well as the Company s investment adviser or any control affiliate of the investment adviser that provides ongoing services to the Company;

   (b) any material issues raised by the most recent internal quality-control review, or peer review, of the audit firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with such issues; and

   (c) the audit firm s internal quality-control procedures;

3. Approve prior to appointment the engagement of the independent auditor to provide other audit services to the Company or to provide non-audit services to the Company, its investment adviser or any entity controlling, controlled by, or under common control with the investment adviser, including TCW Brokerage Services, (Adviser Affiliate) that provides ongoing services to the Company, if the engagement relates directly to the operations and financial reporting of the Company;

4. Develop, to the extent deemed appropriate by the Audit Committee, policies and procedures for pre-approval of the engagement of the Company s independent auditors to provide any of the services described in (3) above;

5. Consider the controls applied by the independent auditors and any measures taken by management in an effort to assure that all items requiring pre-approval by the Audit Committee are identified and referred to the Committee in a timely fashion;

6. Consider whether any non-audit services provided by the Company s independent auditor to the Company s investment adviser or any adviser affiliate that provides ongoing services to the Company, which services were not pre-approved by the Audit Committee, are compatible with maintaining the independent auditor s independence;

7. Review the arrangements for and scope of the annual audit and any special audits;

8. Review and approve the fees proposed to be charged to the Company by the independent auditors for each audit and non-audit service;

9. Consider information and comments from the independent auditors with respect to the Company s accounting and financial reporting policies, procedures and internal control over financial reporting (including the Company s critical accounting policies and practices), to consider management s responses to any such comments and, to the extent the Audit Committee deems necessary or appropriate, to promote improvements in the quality of the Company s accounting and financial reporting;

10. Consider information and comments from the independent auditors with respect to, and meet with the independent auditors to discuss any matters of issue relating to, the Company s financial statements, including any adjustments to such statements recommended by the independent auditors, review the independent auditors opinion on the Company s financial statements and to discuss with management and the independent auditor the Company s annual audited financial statements and other periodic financial statements, including the Company s disclosures under Management s Discussion of Fund Performance ;

11. Review with management significant judgments made in connection with the preparation of the Company s financial statements;

12. Resolve disagreements between management and the auditors regarding financial reporting;

13. Consider any reports of difficulties that may have arisen in the course of the audit, including any limitations on the scope of the audit, and management s response thereto;

14. Discuss with the independent auditor the matters required to be discussed by the Statement on Auditing Standards *(SAS)* No. 61 (as amended by SAS No. 90) issued by the Auditing Standards Board, relating to the conduct of the audit;

15. Review with the Company s principal executive officer and/or principal financial officer in connection with the required certifications on Form N-CSR any significant deficiencies in the design or operation of internal controls over financial reporting or material weaknesses therein and any reported evidence of fraud involving management or other employees who have a significant role in the Company s internal controls over financial reporting;

16. Establish procedures: (i) for the receipt, retention and treatment of complaints received by the Company relating to accounting, internal accounting controls, or auditing matters; (ii) for the confidential, anonymous submission by employees of the Company and by employees of its investment adviser, administrator, principal underwriter, independent auditor, or any other provider of accounting or auditing related services to the Company of concerns regarding questionable accounting or auditing matters (a copy of these procedures is attached hereto as Exhibit A);

17. Establish procedures to address reports from attorneys of possible violations of federal or state law or fiduciary duty;

18. Investigate or initiate an investigation of reports of improprieties or suspected improprieties in connection with the Company s accounting or financial controls;

19. Discuss generally the Company s press releases, as well as any financial information and earnings guidance provided to analysts and ratings agencies (if any), e.g., the types of information to be disclosed and the type of presentation to be made;

20. Review in a general manner, but not as a committee to assume responsibility for, the Company s processes with respect to risk assessment and risk management;

21. Set clear policies relating to the hiring by entities within the Company s investment company complex of employees or former employees of the independent auditors; and

22. Perform such other functions and have such powers as may be necessary or appropriate in the efficient and lawful discharge of the powers provided in this Charter.

The Audit Committee shall have the resources and authority appropriate to discharge its responsibilities, including appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent auditors for the purpose of conducting the audit and rendering their audit report, the authority to retain and compensate special counsel and other experts or consultants as the Audit Committee deems necessary, and the authority to obtain specialized training for Audit Committee members, at the expense of the Company.

The Audit Committee may delegate any portion of its authority, including the authority to grant pre-approvals of audit and permitted non-audit services, to a subcommittee of one or more members. Any decisions of the subcommittee to grant pre-approvals shall be presented to the full Audit Committee at its next regularly scheduled meeting.

IV. Role and Responsibilities of the Audit Committee

The function of the Audit Committee is oversight; it is management s responsibility to maintain appropriate systems for accounting and internal controls over financial reporting, and the independent auditors responsibility to plan and carry out a proper audit. Management is responsible for: (i) the preparation, presentation and integrity of the Company s financial statements; (ii) the maintenance of appropriate accounting and financial reporting principles and policies; and (iii) the maintenance of internal control over financial reporting designed to assure compliance with accounting standards and applicable law. The independent auditors are responsible for planning and carrying out an audit consistent with applicable legal and professional standards and the terms of the engagement titles. Nothing in this Charter shall be construed to reduce the responsibilities or liabilities of the Company s service providers, including the auditors.

The review of the Company s financial statements by the Audit Committee is not an audit, nor does the Audit Committee s review substitute for the responsibilities of the Company s management for preparing, or the independent auditors for auditing, the financial statements. Members of the Audit Committee are not full-time employees of the Company, and, in serving on the on the Audit Committee, are not, and do not hold themselves out to be, acting as accountants or auditors. As such, it is not the duty or responsibility of the Audit Committee or its members to conduct field work or other types of auditing or accounting reviews or procedures.

In discharging their duties the members of the Audit Committee are entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by: (i) one or more officers of the Company whom the Audit Committee reasonably believes to be competent in the matters presented; or (ii) legal counsel, public accountants, or other persons as to matters the Audit Committee reasonably believes are within the person s professional or expert competence.

V. Operations of the Audit Committee

1. The Audit Committee shall meet on a regular basis, quarterly, and is authorized to hold special meetings as circumstances warrant.

2. The Audit Committee shall ordinarily meet in person; however, members may attend telephonically or by video conference, and the Audit Committee may act by written consent, to the extent permitted by law and by the Company s by-laws.

3. The Audit Committee shall regularly meet with representatives of management and, in separate executive session, with the Company s independent auditors, the Company s internal auditors or other personnel responsible for the Company s internal audit function (if any). The Audit Committee may also request to meet with internal legal counsel and compliance personnel of the investment adviser and with entities that provide significant accounting or administrative services to the Company.

4. The Audit Committee shall prepare and retain minutes of its meetings and appropriate documentation of decisions made outside of meetings by delegated authority.

5. The Audit Committee may select one of its members to be the chair.

6. A majority of the members of the Audit Committee shall constitute a quorum for the transaction of business at any meeting of the Audit Committee. The action of a majority of the members of the Audit Committee present at a meeting at which a quorum is present shall be the action of the Audit Committee.

7. Upon the recommendation of the Audit Committee, the Board shall adopt and approve this Charter and may amend it. The Audit Committee shall review this Charter at least annually and recommend to the Board any changes the Audit Committee deems appropriate or necessary.

8. The Audit Committee shall evaluate its performance at least annually.

EXHIBIT A

COMPLAINT PROCEDURES

Pursuant to the requirements of Rule 10A-3(b)(3) of the Securities Exchange Act of 1934, as amended, Section 303A.06 of the New York Stock Exchange Corporate Governance Rules, the Company s Audit Committee Charter, and in accordance with Section 301 and Section 806 of the Sarbanes-Oxley Act of 2002, the Audit Committee has adopted the following procedures (the Procedures) for handling complaints and concerns regarding the Company s accounting, internal accounting controls and auditing matters (collectively, Accounting Matters).

The Audit Committee has established these Procedures for the:

receipt, retention and treatment of complaints received by the Company regarding Accounting Matters; and

the confidential, anonymous submission by officers of the Company or employees of Applicable Service Providers (as defined below) of concerns regarding questionable Accounting Matters.

Applicable Service Providers are any third parties, such as the Company s investment adviser, administrator, outside auditor and principal underwriter, that provide management, administrative, custodial, accounting, auditing, transfer agency and other accounting-related services to the Company. A list of the Company s current Applicable Service Providers is attached hereto as Appendix 1.

1. Receipt of Complaints and Concerns

The Company encourages anyone who has a complaint or concern regarding a potentially questionable Accounting Matter to bring this complaint or concern to the attention of the Company s Chief Financial Officer (CFO). Although parties are encouraged to submit complaints or concerns to the CFO, they may also submit complaints or concerns directly to the Audit Committee Chairman (Chairman) as well as, or instead of, to the CFO. Contact information for the current CFO and the current Chairman is attached to these procedures as Appendix 2. The Chairman will usually inform the CFO of any concerns or complaints relating to Accounting Matters that he or she receives directly. However, the Chairman is not required to notify the CFO.

Any complaint received by an officer of the Company or an employee of an Applicable Service Provider with respect to Accounting Matters should be promptly forwarded to the CFO or the Chairman. Any Director who has a concern regarding what he or she views as questionable Accounting Matters should bring such concern to the attention of the Chairman no later than the first Committee meeting held after he or she becomes concerned.

2. Confidential, Anonymous Submission of Complaints and Concerns

The Company encourages any officer of the Company or employee of an Applicable Service Provider (collectively, Reporting Persons) who has a complaint or concern regarding a potentially questionable Accounting Matter to bring this complaint or concern to the attention of the CFO or the Chairman. If a Reporting Person does not want to be identified with the submission, he or she should send the complaint or concern by mail or facsimile to the CFO and/or Chairman, without including his or her name in the correspondence and

prominently indicating on the submission that it is a *Confidential, Anonymous Submission*. Reporting Persons are encouraged to report any violation to the CFO and/or the Chairman with confidentiality. These procedures are intended to create an environment where Reporting Persons can act without fear of reprisal or retaliation (see Freedom to Report (No Retaliation) below).

3. Retention of Complaints and Concerns

The CFO will maintain a confidential file of materials related to complaints or concerns received concerning the Company s Accounting Matters, except that the Audit Committee will maintain a confidential file of the foregoing materials related to such complaints or concerns received directly by the Audit Committee about which the Audit Committee determined not to notify the CFO. These materials, whether maintained by the CFO or the Audit Committee, will be retained for a period of three (3) years or such longer period as may be required by law. Any records relating to a report may, if necessary, be redacted (or similar steps taken) to preserve the confidentiality of the person(s) submitting the report.

4. Treatment of Complaints and Concerns

The CFO will promptly report any complaint or concern he or she receives to the Chairman. The CFO will work with the Chairman to take all appropriate action to investigate any complaints or concerns reported to the CFO, which actions may (but need not) include the use of internal or external counsel, accountants or other personnel.

The Chairman will inform the Audit Committee of any complaints or concerns reported under these Procedures no later than at the next regularly scheduled Committee meeting following the receipt of such complaint or concern. The Committee in its discretion may take any action it deems appropriate to investigate any complaints or concerns of which it becomes aware, which may include referring the matter to the CFO or initiating an independent investigation. The Committee may also choose to take no action. If the Committee chooses to conduct an investigation, it may at the Company s expense employ internal or external counsel, accountants and other personnel.

5. Freedom to Report (No Retaliation)

Directors and officers of the Company, and employees of Applicable Service Providers are prohibited from discharging, demoting, suspending, threatening, harassing, or discriminating against a Reporting Person in any manner that impacts the terms and conditions of the Reporting Person s employment, because of any lawful act done by the Reporting Person to provide information, cause information to be provided, or otherwise assist in an investigation regarding any conduct which the Reporting Person reasonably believes is reportable under these Procedures.

To monitor whether a Reporting Person is being subjected to reprisals or retaliation, the CFO may contact the Reporting Person to determine whether any changes in the Reporting Person s work situation have occurred as a result of providing such information. If the CFO determines that any reprisal or retaliation has occurred, a report of this shall be made to the Company s officers and to the Audit Committee. The Company will take whatever actions are deemed necessary and appropriate by the Audit Committee to remedy the retaliation.

Any Reporting Person who feels he or she has been the subject of reprisal or retaliation because of his or her reporting under these Procedures should immediately notify the CFO and/or the Chairman.

6. Communication and Training

The officers of the Company shall be responsible for ensuring that all persons involved with the Company s Accounting Matters, including employees of Applicable Service Providers, are made aware of and encouraged to report matters under these Procedures. To ensure that Applicable Service Providers are aware of, and complying with, these Procedures, the Company may provide Applicable Service Providers with copies of these Procedures and obtain annual affirmations of such Applicable Service Providers receipt of, and compliance with, these Procedures.

Appendix 1

Applicable Service Providers

(As of May 1, 2006)

This Appendix I may be modified from time to time to reflect changes to the Company s Applicable Service Providers.

Investment Adviser

TCW Investment Management Company

865 South Figueroa Street

Los Angeles, California 90017

Transfer Agent, Dividend Reinvestment And

Disbursing Agent And Registrar

The Bank of New York

Church Street Station

P.O. Box #11002

New York, New York 10277-0770

Custodian

Investors Bank & Trust Company

200 Clarendon Street

Boston, Massachusetts 02116

Independent Auditors

Deloitte & Touche LLP

350 South Grand Avenue

Los Angeles, California 90071

Chief Financial Officer

David S. DeVito

TCW Strategic Income Fund, Inc.

865 South Figueroa Street, 18th Floor

Los Angeles, CA 90017

Facsimile (213) 244-0489

Audit Committee Chairman

Samuel P. Bell

c/o Robert E. Carlson, Esq.

Paul, Hastings, Janofsky & Walker

515 South Flower Street, 17th Floor

Los Angeles, CA 90071

Facsimile (213) 267-0705

TCW Strategic Income Fund, Inc.

P R O X Y

THIS PROXY IS SOLICITED BY THE BOARD OF DIRECTORS for use at an Annual Meeting of Shareholders to be held at •, on Tuesday, September 26, 2006, at 9:30 A.M., Pacific Daylight Time.

The undersigned hereby appoints Alvin R. Albe, Jr. and Philip K. Holl and each of them, with full power of substitution, as proxies of the undersigned to vote at the above-stated Annual Meeting, and at all adjournments and postponements thereof, all shares of common stock of TCW Strategic Income Fund, Inc. (the Fund) held of record by the undersigned on the record date for the meeting, upon the following matters and upon any other matter which may come before the meeting, in their discretion.

Every properly signed proxy will be voted in the manner specified thereon and, in the absence of specification, will be treated as GRANTING authority to vote FOR the election of the directors named in Proposal 1 and AGAINST Proposal 2.

The attached proxy statement contains additional information about the Proposals and the Fund. Please read it before you vote.

(Continued and to be signed and dated on the other side.)

TCW STRATEGIC INCOME FUND, INC.

P.O. BOX 11459

NEW YORK, N.Y. 10203-0459

(1)	Election of Directors	FOR all nominees listed below ¨	WITHHOLD AUTHORITY to vote for all nominees listed below ¨	*EXCEPTIONS ¨

Nominees: Alvin R. Albe, Jr., Samuel P. Bell, Richard W. Call, Matthew K. Fong, John A. Gavin, Patrick C. Haden, Charles A. Parker, William C. Sonneborn.

(Instructions: To withhold authority to vote for any individual nominee, mark the Exceptions box and write that nominee s name in the space provided below.)

The Board of Directors recommends a vote FOR all nominees.

*Exceptions _____

		FOR	AGAINST	ABSTAIN
(2)	Proposal pursuant to the Fund s Articles of Incorporation to convert the Fund to an open-end investment company and to adopt an amendment and restatement of the Articles of Incorporation to effectuate the proposal.	¨	¨	¨
(3)	In their discretion, the proxies are authorized to vote upon such other business as may properly come before the meeting.	¨	¨	¨

The Board recommends a vote AGAINST the proposal to convert the Fund to an open-end investment company.

Change of Address and/or Comments Mark Here ¨

Receipt of Notice of Annual Meeting and Proxy Statement is hereby acknowledged. Important: Joint owners must EACH sign. When signing as attorney, trustee, executor, administrator guardian or corporate officer, please give your full title.

Dated _____, 2006

_____

Sign here exactly as name(s) appear(s) on left

Votes must be indicated (X) in Black or Blue ink. x

Sign, Date and Return this Proxy Card Promptly Using the Enclosed Envelope.