

PCM FUND, INC.  
Form N-Q  
November 25, 2008

|   |                     |
|---|---------------------|
|   | <b>OMB APPROVAL</b> |
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED**  
**MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-07816

**PCM Fund, Inc.**

(Exact name of registrant as specified in charter)

**1345 Avenue of the Americas New York, New York**  
(Address of principal executive offices)

**10105**  
(Zip code)

**Lawrence G. Altadonna 1345 Avenue of the Americas New York, New York 10105**  
(Name and address of agent for service)

Registrant's telephone number, including area code: 212-739-3371

Date of fiscal year end: December 31, 2008

Date of reporting period: September 30, 2008

Form N-Q is to be used by management investment companies, other than small business investment companies registered on Form N-5 (§§ 239.24 and 274.5 of this chapter), to file reports with the Commission, not later than 60 days after the close of the first and third fiscal quarters, pursuant to rule 30b 1-5 under the Investment Company Act of 1940 (17 CFR 270.30b1-5). The Commission may use the information provided on Form N-Q in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-Q, and the Commission will make this information public. A registrant is not required to the collection of information contained in Form N-Q unless the Form displays a currently valid Office of Management and Budget ( OMB ) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

## Item 1. Schedule of Investments

## PCM Fund, Inc. Schedule of Investments

September 30, 2008 (unaudited)

## Principal

## Amount

| (000)  |   | Credit Rating<br>(Moody's/S&P) | Value*      |
|--|---|--------------------------------|-------------|
| <b>MORTGAGE-BACKED SECURITIES 128.2%</b>                         |   |                                |             |
| Banc of America Commercial Mortgage, Inc., CMO,                  |   |                                |             |
| \$2,000  | 5.414%, 9/10/47 (i)   | Aaa/AAA                        | \$1,762,162 |
| 2,000  | 5.474%, 3/11/41, VRN (a)(c)   | NR/BBB+                        | 1,433,708   |
| 911  | 5.918%, 4/11/36 (a)(c)  | NR/AA-                         | 771,522     |
| 700  | 6.29%, 6/11/35 (a)(c)   | Ba1/BBB                        | 536,517     |
| 2,500  | 7.224%, 4/15/36, VRN (i)  | A1/NR                          | 2,362,556   |
| 2,800  | 7.950%, 11/15/31, VRN (i)   | Aa1/AA+                        | 2,760,027   |
| Bear Stearns Commercial Mortgage Securities, Inc., CMO,          |   |                                |             |
| 4  | 5.06%, 11/15/16   | Aaa/AAA                        | 4,010       |
| 1,000  | 5.726%, 2/11/41, VRN (a)(c)   | NR/BBB-                        | 549,437     |
| 1,500  | 5.817%, 5/14/16 (a)(c)(i)   | Aaa/AAA                        | 1,512,229   |
| 1,000  | 5.982%, 5/11/39, VRN (a)(c)   | NR/BBB+                        | 759,695     |
| 2,000  | 6.177%, 9/11/42, VRN (a)(c)   | NR/A                           | 904,629     |
| 1,332  | 6.50%, 2/15/32  | NR/BB                          | 955,876     |
| 1,258  | 6.625%, 10/15/32 (a)(c)   | NR/B+                          | 859,420     |
| 1,534  | 7.00%, 5/20/30, VRN   | Aaa/AAA                        | 1,551,318   |
| Bear Stearns Commercial Mortgage Securities Trust, CMO, VRN (i), |   |                                |             |
| 2,000  | 5.694%, 6/11/50   | NR/AAA                         | 1,708,703   |
| 2,000  | 5.902%, 6/11/40   | Aaa/NR                         | 1,728,179   |
| 1,283  | Carey Commercial Mortgage Trust, 5.97%, 9/20/19, CMO (a)(c)(i)                      | Aaa/NR                         | 1,254,480   |
| Chase Commercial Mortgage Securities Corp., CMO (a)(c),          |   |                                |             |
| 1,000  | 6.484%, 2/12/16, VRN (i)  | Aaa/NR                         | 1,001,787   |
| 1,000  | 6.65%, 7/15/32  | Baa1/NR                        | 935,359     |
| 1,600  | 6.65%, 7/15/32  | Ba2/NR                         | 1,272,240   |
| 1,500  | 6.887%, 10/15/32  | NR/BB+                         | 1,199,155   |
| 1,015  | Citigroup/Deutsche Bank Commercial Mortgage Trust,<br>5.399%, 7/15/44, CMO, VRN (i) | Aa2/AA                         | 755,234     |
| 3,000  | Commercial Capital Access One, Inc., 7.706%, 11/15/28, CMO, VRN (a)(c)              | NR/NR                          | 2,006,449   |
| 2,500  | Commercial Mortgage Asset Trust, 6.975%, 1/17/32, CMO, VRN (i)                      | Aaa/AAA                        | 2,534,780   |
| Commercial Mortgage Pass Through Certificates, CMO (a)(c),       |   |                                |             |
| 2,000  | 5.756%, 2/5/19, VRN   | NR/BBB-                        | 1,544,415   |
| 1,500  | 6.586%, 7/16/34 (i)   | Aaa/AAA                        | 1,457,964   |
| 2,893  | 6.83%, 2/14/34, VRN (i)   | Aaa/NR                         | 2,923,353   |
| 1,500  | 6.938%, 7/16/34, VRN (i)  | Aa2/A+                         | 1,180,691   |
| 1,500  | 8.521%, 8/15/33, VRN  | NR/BBB+                        | 1,476,638   |
| Credit Suisse Mortgage Capital Certificates, CMO (i),            |   |                                |             |
| 5,000  | 5.467%, 9/15/39   | Aaa/AAA                        | 4,406,523   |
| 500  | 5.896%, 4/25/36, CMO (i)  | Aaa/AAA                        | 358,580     |
| 409  | 6.50%, 5/25/36  | A1/AAA                         | 264,599     |
| CS First Boston Mortgage Securities Corp., CMO,                  |   |                                |             |
| 23,573   | 0.435%, 12/15/35, IO, VRN (a)(c)(i)   | NR/AAA                         | 780,394     |
| 2,000  | 5.322%, 8/15/36, VRN (a)(c)   | Ba1/BB+                        | 1,062,695   |
| 2,600  | 5.745%, 12/15/36, VRN (a)(c)(i)   | NR/BBB+                        | 1,849,628   |
| 300  | 7.00%, 2/25/33, CMO   | Aaa/AAA                        | 283,011     |
| 3,000  | 7.17%, 5/17/40 (i)  | NR/AA-                         | 3,048,682   |
| 2,000  | 7.46%, 1/17/35, VRN (i)   | NR/NR                          | 1,990,881   |
| 1,874  | CVS Lease Pass Through, 5.88%, 1/10/28 (a)(c)(i)                                    | Baa2/BBB+                      | 1,695,601   |

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|       |  |         |           |
|-------|--|---------|-----------|
| 135   | DLJ Commercial Mortgage Corp., 7.222%, 11/12/31, CMO, VRN                            | Aaa/NR  | 134,746   |
| 5,500 | FFCA Secured Lending Corp., 1.322%, 9/18/27, CMO, IO, VRN (a)(c)                     | Aaa/NR  | 106,128   |
|       | Federal Housing Administration (e),  |         |           |
| 2,386 | 7.38%, 4/1/41  | NR/NR   | 2,356,865 |
| 218   | 7.43%, 7/1/18  | NR/NR   | 219,042   |
| 91    | 8.36%, 1/1/12  | NR/NR   | 91,703    |
| 2,000 | First Union-Lehman Brothers-Bank of America, 6.778%, 11/18/35, CMO (i)               | Aaa/AAA | 2,013,909 |
| 1,000 | First Union-Bank of America Commercial Mortgage Trust,<br>6.00%, 1/15/11, CMO (a)(c) | Ba1/NR  | 853,752   |

**PCM Fund, Inc. Schedule of Investments**

September 30, 2008 (unaudited)

**Principal****Amount**

| (000)   |   | Credit Rating<br>(Moody's/S&P) | Value*    |
|---------|---|--------------------------------|-----------|
|         | GE Capital Commercial Mortgage Corp., CMO, VRN,                   |                                |           |
| \$1,000 | 5.274%, 7/10/45 (a)(c)  | NR/BBB+                        | \$521,250 |
| 1,000   | 5.308%, 5/10/43 (i)   | NR/A                           | 681,477   |
|         | GMAC Commercial Mortgage Securities, Inc., CMO,                   |                                |           |
| 20      | 6.50%, 5/15/35  | Aaa/AA                         | 20,085    |
| 1,457   | 6.50%, 5/15/35 (i)  | Aaa/AAA                        | 1,452,805 |
| 2,000   | 6.50%, 5/15/35 (i)  | NR/BBB                         | 1,992,074 |
| 1,500   | 7.133%, 5/15/30, VRN (a)(c)                                       | NR/NR                          | 799,278   |
| 1,500   | 8.322%, 9/15/35, VRN (a)(c)(i)                                    | NR/NR                          | 1,408,580 |
|         | Greenwich Capital Commercial Funding Corp., CMO (i),              |                                |           |
| 1,500   | 5.419%, 1/5/36, VRN (a)(c)  | A2/A+                          | 1,149,105 |
| 2,000   | 5.444%, 3/10/39   | Aaa/AAA                        | 1,695,146 |
|         | GS Mortgage Securities Corp. II, CMO,                             |                                |           |
| 2,000   | 3.537%, 3/6/20, FRN (a)(c)  | NR/BBB                         | 1,679,005 |
| 5,750   | 5.56%, 11/10/39 (i)   | Aaa/NR                         | 5,100,424 |
| 2,000   | 5.74%, 11/10/39, VRN (i)  | A1/NR                          | 1,255,838 |
| 3,500   | 6.615%, 2/14/16 (a)(c)(i)   | NR/AAA                         | 3,663,893 |
| 3,480   | 7.644%, 8/5/18, VRN (a)(c)(i)                                     | A2/NR                          | 3,191,168 |
| 1,168   | GSMPS Mortgage Loan Trust, 8.00%, 9/19/27, CMO, VRN (a)(c)        | NR/NR                          | 1,196,864 |
| 30,565  | Hilton Hotel Pool Trust, 0.861%, 10/3/15, CMO, IO, VRN (a)(c)(i)  | Aaa/AAA                        | 396,562   |
| 2,000   | Host Marriot Pool Trust, 8.31%, 8/3/15, CMO (a)(c)(i)             | Aaa/AAA                        | 2,043,369 |
|         | JPMorgan Chase Commercial Mortgage Securities Corp., CMO,         |                                |           |
| 9,756   | 0.772%, 3/12/39, IO, VRN (a)(c)(i)                                | Aaa/NR                         | 334,179   |
| 1,500   | 5.435%, 5/15/41, VRN (a)(c)                                       | Baa1/NR                        | 1,014,600 |
| 2,000   | 6.162%, 5/12/34 (i)   | Aaa/NR                         | 1,982,703 |
| 3,000   | 6.465%, 11/15/35 (i)  | NR/AAA                         | 3,003,884 |
| 5,000   | LB Commercial Conduit Mortgage Trust, 6.00%, 10/15/35, CMO (a)(c) | A2/BBB+                        | 4,932,141 |
|         | LB-UBS Commercial Mortgage Trust, CMO (a)(c)                      |                                |           |
| 1,500   | 5.683%, 7/15/35   | Ba1/BBB-                       | 974,686   |
| 1,571   | 6.95%, 3/15/34, VRN (i)   | A1/A                           | 1,419,518 |
| 2,000   | 7.29%, 9/15/34 (i)  | A2/NR                          | 1,837,511 |
| 2,000   | Merrill Lynch/Countrywide Commercial Mortgage Trust,              |                                |           |
|         | 6.156%, 8/12/49, CMO, VRN   | NR/A                           | 911,296   |
| 1,500   | Merrill Lynch Mortgage Investors, Inc., CMO, VRN (i)              | A3/AA                          | 1,395,328 |
| 789     | 4.850%, 8/25/33   | Baa2/BB+                       | 575,194   |
| 1,500   | 7.097%, 12/15/30  | A3/AA                          | 1,395,328 |
|         | Morgan Stanley Capital I, CMO, VRN,                               |                                |           |
| 500     | 5.378%, 11/14/42 (i)  | A1/A+                          | 340,596   |
| 100     | 5.379%, 8/13/42 (a)(c)  | NR/A-                          | 64,892    |
| 2,000   | 5.447%, 2/12/44 (i)   | Aaa/AAA                        | 1,680,601 |
| 200     | 7.273%, 12/15/31 (i)  | Aaa/NR                         | 199,689   |
| 357     | 7.634%, 4/30/39 (a)(c)  | NR/NR                          | 339,294   |
| 801     | Morgan Stanley Mortgage Loan Trust, 5.687%, 1/25/35, CMO, VRN     | NR/AA                          | 217,644   |
| 1,068   | Multi-Family Capital Access One, Inc., 8.820%, 1/15/24, CMO, VRN  | NR/NR                          | 1,114,598 |
| 2,500   | Nationslink Funding Corp., 7.105%, 8/20/30, CMO, VRN (a)(c)(i)    | NR/BBB                         | 2,390,334 |
| 1,000   | Office Portfolio Trust, 6.778%, 2/3/16, CMO (a)(c)                | Baa2/NR                        | 809,462   |
| 2,000   | Prudential Securities Secured Financing Corp.,                    |                                |           |
|         | 6.755%, 6/16/31, CMO, VRN (a)(c)                                  | NR/NR                          | 1,827,251 |
| 927     | Residential Asset Securitization Trust, 6.00%, 3/25/37, CMO (i)   | NR/AAA                         | 657,885   |
|         | RMF Commercial Mortgage Pass Through Certificates, CMO (a)(c),    |                                |           |
| 309     | 7.471%, 1/15/19   | NR/NR                          | 177,078   |

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|       |  |           |           |
|-------|--|-----------|-----------|
| 265   | 8.438%, 1/15/19, VRN (d)                                     | NR/NR     | 82,227    |
| 3,547 | Times Square Hotel Trust, 8.528%, 8/1/26 (a)(b)(c)           | Baa3/BBB- | 3,582,813 |
| 3,000 | TrizecHahn Office Properties, 7.604%, 5/15/16, CMO (a)(c)(i) | Baa1/A    | 2,624,673 |

**PCM Fund, Inc. Schedule of Investments**

September 30, 2008 (unaudited)

**Principal****Amount**

| (000)    |  | Credit Rating<br>(Moody's/S&P) | Value*      |
|----------|--|--------------------------------|-------------|
|          | Wachovia Bank Commercial Mortgage Trust, CMO (a)(c),             |                                |             |
| \$46,908 | 0.252%, 10/15/41, IO, VRN (i)                                    | Aaa/AAA                        | \$820,927   |
| 1,020    | 4.982%, 2/15/35  | NR/BBB-                        | 739,978     |
| 2,500    | 5.188%, 2/15/41, VRN   | Baa2/BBB                       | 1,586,533   |
| 1,500    | 5.518%, 1/15/41, VRN   | Baa2/BBB                       | 945,936     |
|          | Total Commercial Mortgage-Backed Securities (cost \$150,175,978) |                                | 128,049,646 |

**REAL ESTATE ASSET-BACKED SECURITIES 27.8%**

|       |  |           |           |
|-------|--|-----------|-----------|
| 2,500 | Access Financial Manufactured Housing Contract Trust, 7.65%, 5/15/21 | B2/NR     | 2,245,456 |
| 1,779 | ACE Securities Corp., 6.457%, 4/25/35, FRN (a)(c)                    | Ca/D      | 21,316    |
| 408   | Ameriquest Mortgage Securities, Inc., 8.097%, 2/25/33, FRN           | Ca/D      | 41,887    |
| 207   | Asset Backed Securities Corp. Home Equity, 5.957%, 6/21/29, FRN      | Caa1/NR   | 41,269    |
| 476   | Banc of America Alternative Loan Trust, 6.25%, 1/25/37, CMO (i)      | Aa1/NR    | 244,440   |
|       | Bear Stearns Alt-A Trust, CMO (i),                                   |           |           |
| 387   | 5.449%, 7/25/35, FRN   | Aaa/AAA   | 284,408   |
| 453   | 6.088%, 5/25/36, VRN   | A2/AAA    | 351,187   |
| 1,003 | 6.25%, 8/25/36, VRN  | Aa1/AAA   | 626,336   |
| 410   | Bear Stearns Asset Backed Securities Trust, 5.50%, 12/25/35, CMO (i) | Aa1/AAA   | 332,018   |
|       | Bear Stearns Second Lien Trust, FRN (a)(c),                          |           |           |
| 750   | 5.707%, 12/25/36, Ser. B2  | Ba3/CC    | 55,891    |
| 166   | 5.707%, 12/25/36, Ser. B3  | B3/D      | 1,661     |
| 230   | CDC Mortgage Capital Trust, 7.572%, 3/25/33, FRN (d)                 | C/D       | 12,564    |
|       | Conseco Finance Securitizations Corp.,                               |           |           |
| 1,735 | 7.96%, 2/1/32  | Caa1/CCC- | 1,352,086 |
| 775   | 7.97%, 5/1/32  | Caa1/CCC- | 572,845   |
| 451   | Countrywide Alternative Loan Trust, 6.00%, 11/25/35, CMO (i)         | Aaa/AAA   | 254,605   |
|       | Fannie Mae,  |           |           |
| 38    | 4.525%, 9/25/23, CMO, FRN  | Aaa/AAA   | 38,067    |
| 461   | 5.00%, 11/25/35, CMO (i)   | Aaa/AAA   | 348,387   |
| 368   | 5.00%, 2/15/36, CMO (i)  | Aaa/AAA   | 294,121   |
| 4,662 | 6.107%, 7/1/12, MBS (i)  | Aaa/AAA   | 4,842,837 |
| 441   | 7.00%, 10/15/22, CMO (i)   | Aaa/AAA   | 440,434   |
| 546   | 7.00%, 10/1/33, MBS (i)  | Aaa/AAA   | 570,502   |
| 17    | 7.875%, 11/1/18, MBS (i)   | Aaa/AAA   | 18,400    |
| 5     | 8.00%, 10/1/10, MBS  | Aaa/AAA   | 5,103     |
| 1     | 8.00%, 12/1/12, MBS  | Aaa/AAA   | 629       |
| 26    | 8.00%, 6/1/15, MBS (i)   | Aaa/AAA   | 27,093    |
| 14    | 8.00%, 8/1/15, MBS (i)   | Aaa/AAA   | 15,030    |
| 120   | 8.00%, 7/25/22, CMO  | Aaa/AAA   | 127,985   |
| 3     | 8.50%, 5/1/17, MBS   | Aaa/AAA   | 3,774     |
| 6     | 8.50%, 7/1/17, MBS   | Aaa/AAA   | 6,210     |
| 3     | 8.50%, 8/1/19, MBS   | Aaa/AAA   | 3,633     |
| 1     | 8.50%, 1/1/20, MBS   | Aaa/AAA   | 755       |
| 5     | 8.50%, 10/1/20, MBS  | Aaa/AAA   | 5,100     |
| 36    | 8.50%, 9/1/21, MBS (i)   | Aaa/AAA   | 38,625    |
| 458   | 8.50%, 11/15/21, CMO (i)   | Aaa/AAA   | 489,983   |
| 9     | 8.50%, 12/1/21, MBS (i)  | Aaa/AAA   | 9,487     |
| 19    | 8.50%, 6/1/22, MBS (i)   | Aaa/AAA   | 20,777    |

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241 8.50%, 9/1/22, MBS (i)  
9 8.50%, 11/1/25, MBS (i)

Aaa/AAA  
Aaa/AAA

264,545  
9,969

**PCM Fund, Inc. Schedule of Investments**

September 30, 2008 (unaudited)

**Principal****Amount**

| (000) |   | Credit Rating<br>(Moody's/S&P) | Value*    |
|-------|---|--------------------------------|-----------|
| \$2   | 8.50%, 1/1/26, MBS  | Aaa/AAA                        | \$1,844   |
| 3     | 8.50%, 3/1/29, MBS  | Aaa/AAA                        | 3,073     |
| 43    | 8.50%, 4/1/30, MBS (i)  | Aaa/AAA                        | 47,229    |
| 44    | 8.50%, 6/1/30, MBS (i)  | Aaa/AAA                        | 48,942    |
| 40    | 8.50%, 11/1/30, MBS (i)   | Aaa/AAA                        | 44,210    |
| 38    | 8.50%, 1/1/31, MBS (i)  | Aaa/AAA                        | 41,856    |
| 66    | 8.50%, 4/1/32, MBS (i)  | Aaa/AAA                        | 72,703    |
| 242   | 9.00%, 3/25/20, CMO (i)   | Aaa/AAA                        | 266,644   |
|       | Federal Housing Administration,   |                                |           |
| 1,412 | 5.237%, 6/1/23, MBS (i)   | Aaa/AAA                        | 1,323,178 |
| 91    | 5.359%, 8/1/26, FRN, MBS (i)  | Aaa/AAA                        | 92,331    |
| 148   | 9.375%, 4/1/16, MBS (i)   | Aaa/AAA                        | 163,975   |
| 487   | First Horizon Alternative Mortgage Securities,<br>5.385%, 8/25/35, CMO, FRN (i) | Aaa/AAA                        | 309,929   |
|       | Freddie Mac,  |                                |           |
| 197   | 5.258%, 4/1/32, FRN, MBS (i)  | Aaa/AAA                        | 201,710   |
| 319   | 5.354%, 11/1/29, FRN, MBS (i)   | Aaa/AAA                        | 325,553   |
| 115   | 5.455%, 8/1/30, FRN, MBS (i)  | Aaa/AAA                        | 116,761   |
| 197   | 6.251%, 3/1/32, FRN, MBS (i)  | Aaa/AAA                        | 201,658   |
| 2     | 7.00%, 9/1/10, MBS  | Aaa/AAA                        | 1,842     |
| 6     | 7.00%, 2/1/11, MBS  | Aaa/AAA                        | 5,855     |
| 2     | 7.00%, 7/1/12, MBS  | Aaa/AAA                        | 1,798     |
| 11    | 7.00%, 7/1/12, MBS (i)  | Aaa/AAA                        | 11,693    |
| 34    | 7.00%, 12/1/14, MBS (i)   | Aaa/AAA                        | 36,127    |
| 8     | 7.00%, 2/1/15, MBS  | Aaa/AAA                        | 8,921     |
| 20    | 7.00%, 9/1/15, MBS (i)  | Aaa/AAA                        | 20,765    |
| (f)   | 7.00%, 12/1/15, MBS (i)   | Aaa/AAA                        | 411       |
| 18    | 7.00%, 3/1/16, MBS (i)  | Aaa/AAA                        | 19,388    |
| 40    | 7.00%, 6/1/16, MBS (i)  | Aaa/AAA                        | 42,646    |
| 105   | 7.00%, 3/1/31, MBS (i)  | Aaa/AAA                        | 109,978   |
| 36    | 7.00%, 10/1/31, MBS (i)   | Aaa/AAA                        | 37,657    |
| 576   | 7.00%, 8/1/32, MBS (i)  | Aaa/AAA                        | 605,590   |
| 2     | 8.00%, 7/1/10, MBS  | Aaa/AAA                        | 1,605     |
| 2     | 8.00%, 10/1/10, MBS   | Aaa/AAA                        | 1,800     |
| 1     | 8.00%, 6/1/11, MBS  | Aaa/AAA                        | 1,282     |
| 2     | 8.00%, 1/1/12, MBS  | Aaa/AAA                        | 1,996     |
| 1     | 8.00%, 5/1/12, MBS  | Aaa/AAA                        | 1,462     |
| 3     | 8.00%, 6/1/12, MBS  | Aaa/AAA                        | 2,982     |
| 1     | 8.00%, 5/1/15, MBS  | Aaa/AAA                        | 669       |
| (f)   | 8.00%, 6/1/15, MBS  | Aaa/AAA                        | 490       |
|       | Green Tree Financial Corp.,   |                                |           |
| 117   | 6.18%, 4/1/30   | Ba3/NR                         | 107,363   |
| 462   | 6.22%, 3/1/30   | NR/BBB                         | 407,515   |
| 683   | 6.53%, 2/1/31, VRN  | NR/B-                          | 539,920   |
| 356   | 6.76%, 3/1/30, VRN  | NR/BBB                         | 319,746   |
| 387   | 6.81%, 12/1/28, VRN   | Ba1/BBB                        | 379,250   |
| 922   | 7.05%, 1/15/27  | B3/B                           | 762,984   |
| 96    | 7.07%, 1/15/29  | NR/A+                          | 94,511    |
|       | Greenpoint Manufactured Housing,  |                                |           |
| 65    | 7.59%, 11/15/28   | Ba1/NR                         | 64,814    |
| 2,000 | 8.30%, 10/15/26, VRN  | Ca/NR                          | 1,730,984 |



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|     |   |         |         |
|-----|---|---------|---------|
| 363 | GSA Trust, 3.477%, 6/25/35, FRN (i)         | Aaa/AAA | 226,164 |
| 356 | Keystone Owner Trust, 9.00%, 1/25/29 (a)(c) | Baa3/NR | 331,551 |

**PCM Fund, Inc. Schedule of Investments**

September 30, 2008 (unaudited)

**Principal****Amount**

| (000) |  | Credit Rating<br>(Moody's/S&P) | Value*            |
|-------|--|--------------------------------|-------------------|
|       | Oakwood Mortgage Investors, Inc.,                                    |                                |                   |
| \$110 | 2.718%, 5/15/13, FRN   | Ba2/BB-                        | \$84,954          |
| 1,000 | 6.89%, 11/15/32, VRN   | Ca/CCC-                        | 504,934           |
|       | Ocwen Residential MBS Corp., CMO, VRN (a)(c),                        |                                |                   |
| 576   | 6.912%, 6/25/39  | NR/NR                          | 288,433           |
| 3,835 | 7.00%, 10/25/40  | B3/NR                          | 1,208,918         |
| 909   | Residential Accredit Loans, Inc., 6.00%, 8/25/35, CMO (i)            | NR/AAA                         | 757,607           |
| 547   | Saxon Asset Securities Trust, 8.64%, 12/25/32                        | Ba2/NR                         | 517,623           |
| 68    | Structured Asset Investment Loan Trust, 7.707%, 10/25/33, FRN        | B3/B-                          | 2,169             |
| 450   | TBW Mortgage, 6.00%, 7/25/36, CMO (i)                                | NR/AAA                         | 298,956           |
| 1,000 | UCFC Manufactured Housing Contract, 7.90%, 1/15/28, VRN              | Ca/NR                          | 650,456           |
| 248   | Wilshire Mortgage Loan Trust, 8.99%, 5/25/28 (a)(c)                  | NR/NR                          | 239,653           |
|       | <b>Total Real Estate Asset-Backed Securities (cost \$30,131,590)</b> |                                | <b>27,714,473</b> |

**CORPORATE BONDS & NOTES 10.0%****Financial Services 0.9%**

|     |  |       |         |
|-----|--|-------|---------|
| 500 | Ford Motor Credit Co. LLC, 8.00%, 12/15/16 (i) | B1/B- | 316,547 |
| 750 | Tenneco Automotive, Inc., 8.625%, 11/15/14 (i) | B3/B  | 600,000 |
|     |  |       | 916,547 |

**Industrial 7.2%**

|       |  |           |           |
|-------|--|-----------|-----------|
| 1,000 | Archer-Daniels-Midland Co., 6.45%, 1/15/38 (i)                 | A2/A      | 902,668   |
| 500   | Bon-Ton Stores, Inc., 10.25%, 3/15/14                          | Caa1/CCC+ | 152,500   |
| 500   | CCO Holdings LLC, 8.75%, 11/15/13                              | Caa1/CCC  | 437,500   |
| 500   | CSC Holdings, Inc., 7.875%, 2/15/18                            | B1/BB     | 442,500   |
| 500   | Dynegy Holdings, Inc., 7.125%, 5/15/18 (i)                     | B2/B      | 380,000   |
| 500   | Echostar DBS Corp., 7.125%, 2/1/16 (i)                         | Ba3/BB-   | 403,750   |
|       | HCA, Inc.,   |           |           |
| 1,250 | 6.75%, 7/15/13 (i)   | Caa1/B-   | 1,056,250 |
| 275   | 9.25%, 11/15/16 (i)  | B2/BB-    | 268,125   |
| 325   | 9.25%, 11/15/16 (c)  | B2/BB-    | 318,297   |
| 950   | RH Donnelley Corp., 8.875%, 1/15/16                            | B3/B-     | 327,750   |
| 500   | SemGroup L.P., 8.75%, 11/15/15 (a)(c)(d)                       | NR/NR     | 52,500    |
|       | United Air Lines, Inc.,  |           |           |
| 951   | 6.636%, 7/2/22   | Ba1/BBB-  | 734,859   |
| 1,075 | 7.73%, 1/1/12  | Ba3/BB    | 1,063,933 |
| 800   | Verso Paper Holdings LLC and Verso Paper, Inc., 9.125%, 8/1/14 | B2/B+     | 692,000   |
|       |  |           | 7,232,632 |

**Utilities 1.9%**

|       |   |           |         |
|-------|---|-----------|---------|
| 500   | Cincinnati Bell, Inc., 8.375%, 1/15/14        | B2/B-     | 437,500 |
| 1,000 | NGPL Pipe Co. LLC, 7.768%, 12/15/37 (a)(c)(i) | Baa3/BBB- | 981,053 |
|       | NRG Energy, Inc.,                             |           |         |
| 350   | 7.25%, 2/1/14                                 | B1/B      | 325,500 |

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|   |   |       |            |
|---|---|-------|------------|
| 150   | 7.375%, 2/1/16  | B1/B  | 135,375    |
|   |   |       | 1,879,428  |
| Total Corporate Bonds & Notes (cost \$12,845,790) |   |       | 10,028,607 |
| <b>MUNICIPAL BONDS &amp; NOTES 2.7%</b>           |   |       |            |
| <b>Arkansas 0.9%</b>                              |   |       |            |
| 985   | Little Rock Municipal Property Owners Multipurpose Improvement Dist., Special Tax,<br>7.20%, 3/1/32, Ser. B | NR/NR | 919,349    |
| <b>Iowa 0.4%</b>                                  |   |       |            |
| 345   | Dickinson Cnty. Rev., 7.75%, 12/1/12, Ser. B  | NR/NR | 352,162    |
| <b>Virginia 0.6%</b>                              |   |       |            |
| 620   | Lexington Industrial Dev. Auth. Rev., 8.00%, 1/1/15, Ser. C   | NR/NR | 615,691    |

**PCM Fund, Inc. Schedule of Investments**

September 30, 2008 (unaudited)

**Principal****Amount**

| (000)  |   | Credit Rating<br>(Moody's/S&P) | Value*    |
|--|---|--------------------------------|-----------|
| <b>West Virginia 0.8%</b>                        |   |                                |           |
| \$985  | Tobacco Settlement Finance Auth. Rev., 7.467%, 6/1/47, Ser. A | Baa3/BBB                       | \$845,672 |
| Total Municipal Bonds & Notes (cost \$2,864,138) |   |                                | 2,732,874 |

**OTHER BONDS & NOTES 1.8%**

|  |  |       |           |
|--|--|-------|-----------|
| 1,640  | Denver Arena Trust, 6.94%, 11/15/19 (a)(c)               | NR/NR | 1,580,278 |
| 1,856  | First International Bank N.A., 8.238%, 4/15/26, ABS, FRN | C/NR  | 103,431   |
| 138  | PPM America High Yield CBO Ltd., 3.775%, 6/1/11 (b)(e)   | NR/NR | 85,386    |
| Total Other Bonds & Notes (cost \$3,520,817) |  |       | 1,769,095 |

**SHORT-TERM INVESTMENTS 21.7%****U.S. Treasury Bills (g) 11.2%**

|        |  |  |            |
|--------|--|--|------------|
| 11,250 | 1.00%-1.70%, 10/16/08-12/26/08 (cost \$11,225,416) |  | 11,174,236 |
|--------|--|--|------------|

**U.S. Government Agency Securities 2.1%**

|       |   |       |           |
|-------|---|-------|-----------|
| 2,100 | Federal Home Loan Bank Discount Notes, 2.50%, 11/24/08 (cost \$2,092,125) | NR/NR | 2,092,125 |
|-------|---|-------|-----------|

**Corporate Notes 0.2%****Financial Services 0.2%**

|     |   |        |         |
|-----|---|--------|---------|
| 229 | CCCA LLC, 7.80%, 10/15/08 (a)(c) (cost \$227,308) | NR/AAA | 229,592 |
|-----|---|--------|---------|

**Real Estate Asset-Backed Securities 0.0%**

|    |  |         |        |
|----|--|---------|--------|
| 31 | Fannie Mae, 8.00%, 7/1/09, MBS (i) (cost \$30,754) | Aaa/AAA | 30,767 |
|----|--|---------|--------|

**Repurchase Agreement 8.2%**

|  |   |  |            |
|--|---|--|------------|
| 8,200  | JPMorgan Chase Bank, dated 9/30/08, 2.00%, due 10/1/08, proceeds \$8,200,456; collateralized by Federal Home Loan Bank Note, 2.817%, due 9/10/09, valued at \$8,375,812 including accrued interest (cost \$8,200,000) |  | 8,200,000  |
| Total Short-Term Investments (cost \$21,775,603) |   |  | 21,726,720 |

**Notional  
Amount****OPTIONS PURCHASED (h) 0.1%**

|                          |  |  |        |
|--------------------------|--|--|--------|
| <b>Call Options 0.1%</b> |  |  |        |
| 7,000,000                | 9-Year Interest Rate Swap (OTC), Pay 3-Month USD LIBOR Floating Rate Index, strike rate 3.60%, expires 2/23/09 |  | 47,739 |

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|  |  |                     |
|--|--|---------------------|
| <b>Put Options 0.0%</b>                              |  |                     |
| 7,000,000  | 9-Year Interest Rate Swap (OTC), Pay 3-Month USD LIBOR Floating Rate Index, strike rate 5.80%, expires 2/23/09 | 27,188              |
|  | Total Options Purchased (cost \$150,850)   | 74,927              |
| <b>Total Investments (cost \$221,464,766) 192.3%</b> |  | <b>192,096,342</b>  |
|  | Liabilities in excess of other assets -(92.3)%   | (92,186,531)        |
| <b>Net Assets 100%</b>                               |  | <b>\$99,909,811</b> |

**Subsequent Event Market Conditions**

Recent events in the financial sector have resulted in an unusually high degree of volatility in the financial markets and the net asset value of many mutual funds, including to some extent the Fund. The potential investment of the Fund's investments in the financial sector in general, as reflected in the Fund's Schedule of Investment, subjects investors to the potential for an unusually high degree of volatility in the Fund's performance resulting from these and other events.

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**Notes to Schedule of Investments:**

\*Portfolio securities and other financial instruments for which market quotations are readily available are stated at market value. Market value is generally determined on the basis of last reported sales prices, or if no sales are reported, based on quotes obtained from a quotation reporting system, established market makers, or pricing services.

Portfolio securities and other financial instruments for which market quotations are not readily available or if a development/event occurs that may significantly impact the value of a security, are fair-valued, in good faith, pursuant to procedures established by the Board of Trustees or persons acting at their discretion pursuant to procedures established by the Board of Trustees, including certain fixed income securities which may be valued with reference to securities whose prices are more readily available. The Fund's investments, including over-the-counter options are valued daily using prices supplied by an independent pricing service or dealer quotations, or by using the last sale price on the exchange that is the primary market for such securities, or the last quoted mean price for those securities for which the over-the-counter market is the primary market or for listed securities in which there were no sales. Prices obtained by independent pricing services use information provided by market makers or estimates of market values obtained from yield data relating to investments or securities with similar characteristics. Exchange traded options, futures and options on futures are valued at the settlement price determined by the relevant exchange. Short-term investments maturing in 60 days or less are valued at amortized cost, if their original term to maturity was 60 days or less, or by amortizing their value on the 61st day prior to maturity, if the original term to maturity exceeded 60 days. The prices used by the Fund to value securities may differ from the value that would be realized if the securities were sold. The Fund's net asset value is normally determined daily as of the close of regular trading (normally, 4:00 p.m. Eastern time) on the New York Stock Exchange ( NYSE ) on each day the NYSE is open for business.

- (a) Private Placement Restricted as to resale and may not have a readily available market. Securities with an aggregate value of \$77,471,839, representing 77.54% of net assets.
- (b) Illiquid security.
- (c) 144A Security Security exempt from registration, under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, typically only to qualified institutional buyers. Unless otherwise indicated, these securities are not considered to be illiquid.
- (d) Security in default.
- (e) Fair-valued securities with an aggregate value of \$2,752,996, representing 2.76% of net assets.
- (f) Principal amount less than \$500.
- (g) All or partial amount segregated as collateral for swaps.
- (h) Non-income producing.
- (i) All or partial amount segregated as collateral for reverse repurchase agreements.

**Glossary:**

ABS Asset-Backed Securities

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|       |   |
|-------|---|
| CBO   | Collateralized Bond Obligation  |
| CMO   | Collateralized Mortgage Obligation  |
| FRN   | Floating Rate Note. The interest rate disclosed reflects the rate in effect on September 30, 2008.  |
| IO    | Interest Only   |
| LIBOR | London Inter-Bank Offered Rate  |
| MBS   | Mortgage-Backed Securities  |
| NR    | Not Rated   |
| OTC   | Over-the-Counter  |
| VRN   | Variable Rate Note. Instruments whose interest rates change on specified date (such as a coupon date or interest payment date) and whose interest rates vary with changes in a designated base rate (such as the prime interest rate). The interest rate disclosed reflects the rate in effect on September 30, 2008. |

**Other Investments:**

(1) Credit default swap agreements outstanding at September 30, 2008:

| Swap Counterparty/<br>Referenced Debt Issuer | Notional Amount<br>Default Payable on<br>(000) | Termination<br>Date | Payments            |  | Unrealized<br>Appreciation<br>(Depreciation) |
|--|--|---------------------|---------------------|--|--|
|  |  |                     | Received<br>by Fund |  |  |
| Bank of America:                             |  |                     |                     |  |  |
| ABS Home Equity Index                        | \$2,000  | 8/25/37             | 0.15%               |  | \$20,300                                     |
| Bear Stearns:                                |  |                     |                     |  |  |
| Home Equity Index                            | 1,000  | 8/25/37             | 0.15%               |  | (267,350)                                    |
| Home Equity Index                            | 1,000  | 1/25/38             | 1.92%               |  | (250,633)                                    |
| Home Equity Index                            | 1,000  | 5/25/46             | 0.17%               |  | (344,825)                                    |
| Citigroup:                                   |  |                     |                     |  |  |
| Home Equity Index                            | 1,000  | 8/25/37             | 0.09%               |  | 2,590  |
| Credit Suisse First Boston:                  |  |                     |                     |  |  |
| ABS Home Equity Index                        | 3,500  | 8/25/37             | 0.15%               |  | (575,710)                                    |
| Home Equity Index                            | 1,456  | 7/25/45             | 0.18%               |  | (54,344)                                     |
| Deutsche Bank:                               |  |                     |                     |  |  |
| American International Group                 | 2,000  | 3/20/13             | 2.10%               |  | (667,590)                                    |
| Dow Jones CDX Index                          | 3,200  | 6/20/13             | 1.55%               |  | 27,116                                       |
| JPMorgan Chase:                              |  |                     |                     |  |  |
| Lennar                                       | 1,000  | 12/20/12            | 5.40%               |  | (63,298)                                     |
|  |  |                     |                     |  | \$ (2,173,744)                               |

(2) Interest rate swap agreements outstanding at September 30, 2008:

| Swap Counterparty      | Notional Amount<br>(000) | Termination<br>Date | Rate Type                |                              | Unrealized<br>Appreciation<br>(Depreciation) |
|------------------------|--------------------------|---------------------|--------------------------|------------------------------|--|
|                        |                          |                     | Payments Made<br>by Fund | Payments Received<br>by Fund |  |
| Bank of America        | \$4,300                  | 12/17/38            | 5.00%                    | 3-Month USD-LIBOR            | \$ (345,314)                                 |
| Barclays Bank          | 11,900                   | 12/17/18            | 5.00%                    | 3-Month USD-LIBOR            | (347,821)                                    |
| Barclays Bank          | 7,700                    | 6/21/26             | 3-Month USD-LIBOR        | 5.60%                        | 908,538                                      |
| Citigroup              | 2,800                    | 12/17/15            | 3-Month USD-LIBOR        | 5.00%                        | 28,061                                       |
| Citigroup              | 700                      | 12/17/18            | 5.00%                    | 3-Month USD-LIBOR            | (15,896)                                     |
| Citigroup              | 1,100                    | 12/17/38            | 5.00%                    | 3-Month USD-LIBOR            | (65,874)                                     |
| Merrill Lynch          | 12,900                   | 12/17/13            | 3-Month USD-LIBOR        | 4.00%                        | 32,441                                       |
| Morgan Stanley         | 17,050                   | 12/17/18            | 5.00%                    | 3-Month USD-LIBOR            | (261,351)                                    |
| Morgan Stanley         | 5,300                    | 12/17/28            | 5.00%                    | 3-Month USD-LIBOR            | (224,773)                                    |
| Royal Bank of Scotland | 7,600                    | 12/17/15            | 3-Month USD-LIBOR        | 5.00%                        | 122,107                                      |
| Royal Bank of Scotland | 62,900                   | 2/25/18             | 3.60%                    | 3-Month USD-LIBOR            | (479,067)                                    |
| Royal Bank of Scotland | 62,900                   | 2/25/18             | 3-Month USD-LIBOR        | 5.80%                        | 569,977                                      |
|                        |                          |                     |                          |                              | \$ (78,972)                                  |

The Fund received \$1,350,000 par value in U.S. Treasury Bills as collateral for swap contracts.

LIBOR London Inter-bank Offered Rate



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- (3) The weighted average daily balance of reverse repurchase agreements outstanding during the nine months ended September 30, 2008 was \$79,028,962 at a weighted average interest rate of 3.47%.

Open reverse repurchase agreements at September 30, 2008:

| Counterparty   | Rate           | Trade Date | Maturity Date | Principal & Interest | Par          |
|----------------|----------------|------------|---------------|----------------------|--------------|
| Credit Suisse: | 2.60%          | 9/12/08    | 10/16/08      | \$ 580,571           | \$ 579,775   |
|                | 2.65%          | 9/12/08    | 10/16/08      | 2,401,513            | 2,398,159    |
|                | 2.99%          | 9/12/08    | 10/16/08      | 7,620,737            | 7,608,730    |
|                | 3.24%          | 9/12/08    | 10/16/08      | 2,243,830            | 2,240,000    |
|                | 3.49%          | 9/12/08    | 10/16/08      | 2,619,316            | 2,614,500    |
|                | 3.74%          | 9/12/08    | 10/16/08      | 5,718,265            | 5,707,000    |
|                | 3.99%          | 9/12/08    | 10/16/08      | 2,908,362            | 2,902,250    |
|                | 6.50%          | 9/18/08    | 10/2/08       | 21,457,618           | 21,407,370   |
|                | 6.75%          | 9/18/08    | 10/2/08       | 3,323,080            | 3,315,000    |
|                | Deutsche Bank: | 2.50%      | 9/11/08       | 10/14/08             | 2,291,178    |
| 2.50%          |                | 9/26/08    | 10/14/08      | 4,213,462            | 4,212,000    |
| 2.99%          |                | 9/12/08    | 10/15/08      | 7,554,130            | 7,542,228    |
| 7.38%          |                | 9/30/08    | 10/1/08       | 2,818,577            | 2,818,000    |
| Goldman Sachs: | 2.75%          | 9/15/08    | 10/14/08      | 807,986              | 807,000      |
| Merrill Lynch: | 3.50%          | 9/16/08    | 10/16/08      | 6,625,648            | 6,616,000    |
|                | 3.60%          | 9/16/08    | 10/16/08      | 2,769,148            | 2,765,000    |
|                |                |            |               |                      | \$75,821,012 |

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Detail of underlying collateral for open reverse repurchase agreements at September 30, 2008 as reflected in the Schedule of Investments:

| Counterparty   | Description                                       | Rate   | Maturity Date | Par          | Market Value |
|----------------|---|--------|---------------|--------------|--------------|
| Credit Suisse: | Archer-Daniels-Midland Co.                        | 6.45%  | 1/15/38       | \$ 1,000,000 | \$ 902,668   |
|                | Banc of America Alternative Loan Trust            | 6.25%  | 1/25/37       | 475,867      | 244,440      |
|                | Banc of America Commercial Mortgage, Inc.         | 5.414% | 9/10/47       | 2,000,000    | 1,762,162    |
|                | Banc of America Commercial Mortgage, Inc.         | 7.224% | 4/15/36       | 2,500,000    | 2,362,556    |
|                | Banc of America Commercial Mortgage, Inc.         | 7.95%  | 11/15/31      | 2,800,000    | 2,760,027    |
|                | Bear Stearns Alt-A Trust                          | 5.449% | 7/25/35       | 386,766      | 284,408      |
|                | Bear Stearns Alt-A Trust                          | 6.088% | 5/25/36       | 452,636      | 351,187      |
|                | Bear Stearns Alt-A Trust                          | 6.25%  | 8/25/36       | 1,002,627    | 626,336      |
|                | Bear Stearns Asset Backed Securities Trust        | 5.50%  | 12/25/35      | 410,360      | 332,018      |
|                | Bear Stearns Commercial Mortgage Securities Trust | 5.694% | 6/11/50       | 2,000,000    | 1,708,703    |
|                | Bear Stearns Commercial Mortgage Securities Trust | 5.902% | 6/11/40       | 2,000,000    | 1,728,179    |
|                | Citigroup/Deutsche Bank Commercial Mortgage Trust | 5.399% | 7/15/44       | 1,015,000    | 755,234      |
|                | Commercial Mortgage Asset Trust                   | 6.975% | 1/17/32       | 2,500,000    | 2,534,780    |
|                | Commercial Mortgage Pass Through Certificates     | 6.83%  | 2/14/34       | 2,893,000    | 2,923,353    |
|                | Commercial Mortgage Pass Through Certificates     | 6.938% | 7/16/34       | 1,500,000    | 1,180,690    |
|                | Countrywide Alternative Loan Trust                | 6.00%  | 11/25/35      | 451,490      | 254,605      |
|                | Credit Suisse Mortgage Capital Certificates       | 5.467% | 9/15/39       | 2,500,000    | 2,203,261    |
|                | Credit Suisse Mortgage Capital Certificates       | 5.896% | 4/25/36       | 500,000      | 358,580      |
|                | Credit Suisse Mortgage Capital Certificates       | 6.50%  | 5/25/36       | 408,556      | 264,599      |
|                | CS First Boston Mortgage Securities Corp.         | 0.435% | 12/15/35      | 23,572,812   | 780,394      |
|                | CS First Boston Mortgage Securities Corp.         | 5.745% | 12/15/36      | 2,600,000    | 1,849,628    |
|                | CS First Boston Mortgage Securities Corp.         | 7.17%  | 5/17/40       | 1,250,000    | 1,270,284    |
|                | CS First Boston Mortgage Securities Corp.         | 7.46%  | 1/17/35       | 2,000,000    | 1,990,881    |
|                | CVS Lease Pass Through                            | 5.88%  | 1/10/28       | 1,873,523    | 1,695,601    |
|                | Fannie Mae  | 5.00%  | 11/25/35      | 460,741      | 348,387      |
|                | Fannie Mae  | 5.00%  | 2/15/36       | 368,178      | 294,121      |
|                | Fannie Mae  | 7.00%  | 10/15/22      | 440,922      | 440,434      |
|                | Fannie Mae  | 8.50%  | 11/15/21      | 458,475      | 489,983      |
|                | Fannie Mae  | 8.50%  | 9/1/22        | 241,364      | 264,545      |
|                | Fannie Mae  | 9.00%  | 3/25/20       | 242,100      | 266,644      |
|                | Federal Housing Administration                    | 9.375% | 4/1/16        | 148,287      | 163,975      |
|                | First Horizon Alternative Mortgage Securities     | 5.385% | 8/25/35       | 486,704      | 309,929      |
|                | Freddie Mac                                       | 5.258% | 4/1/32        | 197,305      | 201,710      |
|                | Freddie Mac                                       | 5.354% | 11/1/29       | 318,871      | 325,553      |
|                | Freddie Mac                                       | 5.455% | 8/1/30        | 114,580      | 116,761      |
|                | Freddie Mac                                       | 6.251% | 3/1/32        | 196,634      | 201,658      |
|                | Freddie Mac                                       | 7.00%  | 3/1/31        | 104,581      | 109,978      |
|                | GE Capital Commercial Mortgage Corp.              | 5.308% | 5/10/43       | 1,000,000    | 681,476      |
|                | GMAC Commercial Mortgage Securities, Inc.         | 6.50%  | 5/15/35       | 2,000,000    | 1,992,074    |
|                | GMAC Commercial Mortgage Securities, Inc.         | 8.322% | 9/15/35       | 1,500,000    | 1,408,580    |
|                | Greenwich Capital Commercial Funding Corp.        | 5.419% | 1/5/36        | 1,500,000    | 1,149,105    |
|                | Greenwich Capital Commercial Funding Corp.        | 5.444% | 3/10/39       | 2,000,000    | 1,695,146    |
|                | GS Mortgage Securities Corp. II                   | 5.56%  | 11/10/39      | 5,750,000    | 5,100,424    |
|                | GS Mortgage Securities Corp. II                   | 5.74%  | 11/10/39      | 2,000,000    | 1,255,838    |
|                | GS Mortgage Securities Corp. II                   | 7.644% | 8/5/18        | 3,480,000    | 3,191,168    |

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|                |   |        |          |            |            |
|----------------|---|--------|----------|------------|------------|
|                | GSA Trust   | 3.477% | 6/25/35  | \$ 363,475 | \$ 226,164 |
|                | Hilton Hotel Pool Trust                             | 0.861% | 10/3/15  | 30,564,743 | 396,562    |
|                | Host Marriot Pool Trust                             | 8.31%  | 8/3/15   | 2,000,000  | 2,043,369  |
|                | JPMorgan Chase Commercial Mortgage Securities Corp. | 0.772% | 3/12/39  | 9,756,026  | 334,179    |
|                | LB-UBS Commercial Mortgage Trust                    | 6.95%  | 3/15/34  | 1,571,500  | 1,419,518  |
|                | LB-UBS Commercial Mortgage Trust                    | 7.29%  | 9/15/34  | 2,000,000  | 1,837,511  |
|                | Morgan Stanley Capital I                            | 5.378% | 11/14/42 | 500,000    | 340,596    |
|                | Morgan Stanley Capital I                            | 5.447% | 2/12/44  | 2,000,000  | 1,680,601  |
|                | Morgan Stanley Capital I                            | 7.273% | 12/15/31 | 200,000    | 199,689    |
|                | Nationslink Funding Corp.                           | 7.105% | 8/20/30  | 2,500,000  | 2,390,334  |
|                | NGPL PipeCo LLC                                     | 7.768% | 12/15/37 | 1,000,000  | 981,053    |
|                | Residential Accredit Loans, Inc.                    | 6.00%  | 8/25/35  | 908,876    | 757,607    |
|                | Residential Asset Securitization Trust              | 6.00%  | 3/25/37  | 926,636    | 657,885    |
|                | TBW Mortgage  | 6.00%  | 7/25/36  | 450,552    | 298,956    |
|                | Wachovia Bank Commercial Mortgage Trust             | 0.252% | 10/15/41 | 46,908,238 | 820,927    |
| Deutsche Bank: | Carey Commercial Mortgage Trust                     | 5.97%  | 9/20/19  | 1,283,385  | 1,254,480  |
|                | Chase Commercial Mortgage Securities Corp.          | 6.484% | 2/12/16  | 1,000,000  | 1,001,787  |
|                | Commercial Mortgage Pass Through Certificates       | 6.586% | 7/16/34  | 1,500,000  | 1,457,964  |
|                | Dynegy Holdings, Inc.                               | 7.125% | 5/15/18  | 500,000    | 380,000    |
|                | Echostar DBS Corp.                                  | 7.125% | 2/1/16   | 500,000    | 403,750    |
|                | Fannie Mae  | 6.107% | 7/1/12   | 4,661,831  | 4,842,837  |
|                | Fannie Mae  | 7.00%  | 10/1/33  | 381,471    | 398,626    |
|                | Federal Housing Administration                      | 5.237% | 6/1/23   | 1,412,344  | 1,323,178  |
|                | First Union-Lehman Brothers-Bank of America         | 6.778% | 11/18/35 | 2,000,000  | 2,013,909  |
|                | Ford Motor Credit Co. LLC                           | 8.00%  | 12/15/16 | 500,000    | 316,546    |
|                | Freddie Mac   | 7.00%  | 8/1/32   | 575,879    | 605,590    |
|                | GMAC Commercial Mortgage Securities, Inc.           | 6.50%  | 5/15/35  | 1,456,628  | 1,452,805  |
|                | HCA, Inc.   | 6.75%  | 7/15/13  | 1,250,000  | 1,056,250  |
|                | HCA, Inc.   | 9.25%  | 11/15/16 | 275,000    | 268,125    |
|                | JPMorgan Chase Commercial Mortgage Securities Corp. | 6.162% | 5/12/34  | 2,000,000  | 1,982,703  |
|                | Tenneco Automotive, Inc.                            | 8.625% | 11/15/14 | 750,000    | 600,000    |
| Goldman Sachs: | Fannie Mae  | 7.00%  | 10/1/33  | 164,478    | 171,875    |
|                | Fannie Mae  | 7.875% | 11/1/18  | 17,236     | 18,400     |
|                | Fannie Mae  | 8.00%  | 7/1/09   | 30,450     | 30,767     |
|                | Fannie Mae  | 8.00%  | 6/1/15   | 20,950     | 22,226     |
|                | Fannie Mae  | 8.00%  | 8/1/15   | 14,167     | 15,030     |
|                | Fannie Mae  | 8.50%  | 9/1/21   | 35,724     | 38,625     |
|                | Fannie Mae  | 8.50%  | 12/1/21  | 8,627      | 9,487      |
|                | Fannie Mae  | 8.50%  | 6/1/22   | 9,935      | 10,895     |
|                | Fannie Mae  | 8.50%  | 11/1/25  | 9,101      | 9,969      |
|                | Fannie Mae  | 8.50%  | 4/1/30   | 42,818     | 47,229     |
|                | Fannie Mae  | 8.50%  | 6/1/30   | 44,368     | 48,942     |
|                | Fannie Mae  | 8.50%  | 11/1/30  | 40,153     | 44,210     |
|                | Fannie Mae  | 8.50%  | 1/1/31   | 38,015     | 41,856     |
|                | Fannie Mae  | 8.50%  | 4/1/32   | 66,029     | 72,703     |
|                | Federal Housing Administration                      | 5.359% | 8/1/26   | 91,015     | 92,332     |
|                | Freddie Mac   | 7.00%  | 7/1/12   | 11,100     | 11,693     |
|                | Freddie Mac   | 7.00%  | 12/1/14  | 34,234     | 36,127     |
|                | Freddie Mac   | 7.00%  | 9/1/15   | 19,657     | 20,766     |
|                | Freddie Mac   | 7.00%  | 3/1/16   | 18,353     | 19,388     |
|                | Freddie Mac   | 7.00%  | 6/1/16   | 40,386     | 42,646     |
|                | Freddie Mac   | 7.00%  | 10/1/31  | 35,774     | 37,657     |
| Merrill Lynch: | Bear Stearns Commercial Mortgage Securities, Inc.   | 5.817% | 5/14/16  | 1,500,000  | 1,512,229  |
|                | GS Mortgage Securities Corp. II                     | 6.615% | 2/14/16  | 3,500,000  | 3,663,893  |
|                | JPMorgan Chase Commercial Mortgage Securities Corp. | 6.465% | 11/15/35 | 3,000,000  | 3,003,884  |
|                | Merrill Lynch Mortgage Investors, Inc.              | 7.097% | 12/15/30 | 1,500,000  | 1,395,328  |
|                | TrizecHahn Office Properties                        | 7.604% | 5/15/16  | 3,000,000  | 2,624,673  |

\$ 97,918,394

**Fair Value Measurements** Effective January 1, 2008, the Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements ( SFAS 157 ). This standard clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value and requires additional disclosures about the use of the fair value measurements. The three levels of the fair value hierarchy under SFAS 157 are described below:

Level 1 quoted prices in active markets for identical investments

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

Level 3 significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments) The valuation techniques used by the Fund to measure fair value during the nine months ended September 30, 2008 maximized the use of observable inputs and minimized the use of unobservable inputs. The Fund utilized the following fair value techniques: multi-dimensional relational pricing model and option adjusted spread pricing.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following is a summary of the inputs used at September 30, 2008 in valuing the Fund's investments carried at value:

| <b>Valuation Inputs</b>                     | <b>Investments in Securities</b> | <b>Other Financial Instruments</b> |
|---|----------------------------------|------------------------------------|
| Level 1 Quoted Prices                       | \$                               | \$                                 |
| Level 2 Other Significant Observable Inputs | 189,343,347                      | (2,343,626)                        |
| Level 3 Significant Unobservable Inputs     | 2,752,995                        | 90,910                             |
| Total                                       | \$ 192,096,342                   | \$ (2,252,716)                     |

A roll forward of fair value measurements using significant unobservable inputs (Level 3) at September 30, 2008, were as follows:

|   | <b>Investments in Securities</b> | <b>Other Financial Instruments</b> |
|---|----------------------------------|------------------------------------|
| Beginning balance, 12/31/07               | \$ 3,984,768                     | \$                                 |
| Net purchases (sales) and settlements     | (314,160)                        |                                    |
| Accrued discounts (premiums)              | 1,839                            |                                    |
| Total realized and unrealized gain (loss) | (297,996)                        | 90,910                             |
| Transfers in and/or out of Level 3        | (621,456)                        |                                    |
| Ending balance, 9/30/08                   | \$ 2,752,995                     | \$ 90,910                          |

**Item 2. Controls and Procedures**

(a) The registrant's President & Chief Executive Officer and Treasurer, Principal Financial & Accounting Officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Act (17 CFR 270.30a-3(c))), are effective based on their evaluation of these controls and procedures as of a date within 90 days of the filing date of this document.

(b) There were no significant changes in the registrant's internal controls over financial reporting (as defined in Rule 30a-3(d) under the Act (17 CFR 270.30a-3(d))) that occurred during the registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

**Item 3. Exhibits**

(a) Exhibit 99.302 Cert. Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

**SIGNATURES**

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

Registrant: PCM Fund, Inc.

By /s/ Brian S. Shlissel  
President & Chief Executive Officer  
Date: November 25, 2008

By /s/ Lawrence G. Altadonna  
Treasurer, Principal Financial & Accounting Officer  
Date: November 25, 2008

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

By /s/ Brian S. Shlissel  
President & Chief Executive Officer  
Date: November 25, 2008

By /s/ Lawrence G. Altadonna  
Treasurer, Principal Financial & Accounting Officer  
Date: November 25, 2008