

PCM FUND, INC.
Form N-Q
May 24, 2012

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)

1633 Broadway New York, New York 10019

(Address of principal executive offices) (Zip code)

Lawrence G. Altadonna 1633 Broadway New York, New York 10019

(Name and address of agent for service)

Registrant's telephone number, including area code:

212-739-3371

Date of fiscal year end: **December 31, 2012**

Date of reporting period: **March 31, 2012**

Item 1. Schedule of Investments**PCM Fund, Inc. Schedule of Investments**

March 31, 2012 (unaudited)

| Principal Amount (000s) | | Value* |
|--|---|------------|
| MORTGAGE-BACKED SECURITIES 134.5% | | |
| \$ 557 | Adjustable Rate Mortgage Trust, 2.809%, 1/25/36, CMO, FRN | \$ 313,351 |
| | Banc of America Alternative Loan Trust, CMO, | |
| 744 | 5.364%, 4/25/37, VRN | 529,753 |
| 103 | 6.25%, 1/25/37 | 3,324 |
| | Banc of America Funding Corp., CMO, | |
| 1,041 | 2.745%, 12/20/34, FRN | 674,569 |
| 375 | 5.589%, 3/20/36, FRN | 299,648 |
| 1,051 | 7.00%, 10/25/37 | 756,563 |
| | Banc of America Large Loan, Inc., CMO, FRN (a)(b), | |
| 1,500 | 0.712%, 3/15/22 | 1,455,811 |
| 946 | 1.992%, 11/15/15 | 884,752 |
| 2,000 | Banc of America Merrill Lynch Commercial Mortgage, Inc., 5.414%, 9/10/47, CMO | 2,228,575 |
| | Banc of America Mortgage Securities, Inc., CMO, FRN, | |
| 773 | 2.726%, 6/20/31 | 737,920 |
| 883 | 2.795%, 11/25/34 | 816,569 |
| 614 | 5.075%, 6/25/35 | 551,574 |
| | BCAP LLC Trust, CMO, FRN (a)(b), | |
| 87 | 0.441%, 7/26/36 | 20,620 |
| 150 | 5.042%, 3/26/36 | 134,393 |
| 1,000 | BCRR Trust, 5.858%, 7/17/40, CMO, VRN (a)(b)(g) | 1,040,284 |
| | Bear Stearns Adjustable Rate Mortgage Trust, CMO, FRN, | |
| 2,000 | 2.689%, 10/25/35 (g) | 1,618,182 |
| 447 | 2.821%, 5/25/34 | 406,520 |
| | Bear Stearns Alt-A Trust, CMO, | |
| 91 | 2.740%, 5/25/36, FRN | 39,555 |
| 287 | 2.873%, 11/25/36, FRN | 157,119 |
| 117 | 2.970%, 1/25/47, FRN | 59,905 |
| 636 | 2.972%, 5/25/36, FRN | 310,157 |
| 376 | 3.540%, 9/25/34, FRN | 323,589 |
| 1,732 | 4.321%, 8/25/36, FRN (g) | 939,025 |
| 296 | 4.919%, 7/25/35, FRN | 202,037 |
| 702 | 5.655%, 8/25/36, VRN | 417,458 |
| 212 | Bear Stearns Asset-Backed Securities Trust, 5.50%, 12/25/35, CMO | 185,770 |
| | Bear Stearns Commercial Mortgage Securities, CMO, | |
| 1,300 | 5.610%, 3/13/40, VRN (a)(b) | 1,177,667 |
| 3,000 | 5.694%, 6/11/50, VRN (g) | 3,434,491 |
| 2,000 | 5.718%, 6/11/40, VRN (g) | 2,290,630 |
| 1,000 | 5.810%, 5/11/39, VRN (a)(b) | 1,007,834 |
| 524 | 6.50%, 2/15/32 | 35,472 |
| 1,434 | CBA Commercial Small Balance Commercial Mortgage, 5.54%, 1/25/39, CMO (a)(b) | 657,754 |
| 800 | Chase Mortgage Finance Corp., 6.00%, 3/25/37, CMO | 644,960 |
| | Citigroup Commercial Mortgage Trust, CMO, VRN, | |
| 104,214 | 0.188%, 5/15/43, IO (a)(b) | 954,079 |
| 2,500 | 5.696%, 12/10/49 (g) | 2,866,646 |
| | Citigroup Mortgage Loan Trust, Inc., CMO, FRN, | |
| 620 | 2.770%, 8/25/35 | 504,881 |
| 698 | 5.126%, 9/25/35 | 557,735 |
| 713 | 5.252%, 11/25/36 | 496,661 |

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4,012

Citigroup/Deutsche Bank Commercial Mortgage Trust, 5.322%, 12/11/49, CMO (g)

4,404,131

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PCM Fund, Inc. Schedule of Investments

March 31, 2012 (unaudited) (continued)

| Principal Amount (000s) | | Value* |
|-------------------------|--|------------|
| \$ 195 | Citimortgage Alternative Loan Trust, 5.50%, 4/25/22, CMO | \$ 191,813 |
| 3,000 | Commercial Capital Access One, Inc., 7.835%, 11/15/28, CMO, VRN (a)(b) | 2,135,145 |
| | Commercial Mortgage Pass Through Certificates, CMO (a)(b), | |
| 2,500 | 5.605%, 6/9/28 | 2,570,560 |
| 690 | 5.933%, 7/10/46, VRN | 673,101 |
| 1,500 | 6.586%, 7/16/34 (g) | 1,629,172 |
| 1,500 | 6.774%, 7/16/34, VRN | 1,687,086 |
| | Countrywide Alternative Loan Trust, CMO, | |
| 1,687 | 0.422%, 6/25/47, FRN (g) | 963,870 |
| 4,027 | 0.452%, 7/20/46, FRN (g) | 1,654,797 |
| 519 | 0.522%, 2/25/37, FRN | 284,122 |
| 395 | 0.532%, 2/25/36, FRN | 142,430 |
| 4,447 | 1.159%, 12/25/35, FRN (g) | 2,625,872 |
| 347 | 6.00%, 11/25/35 | 173,743 |
| | Countrywide Home Loan Mortgage Pass Through Trust, CMO, | |
| 397 | 0.562%, 3/25/35, FRN | 214,457 |
| 42 | 2.595%, 2/20/36, FRN | 31,072 |
| 367 | 2.789%, 9/20/36, FRN | 182,820 |
| 1,514 | 5.576%, 9/25/47, FRN (g) | 1,001,833 |
| 1,073 | 6.00%, 5/25/37 | 869,858 |
| | Credit Suisse First Boston Mortgage Securities Corp., CMO, | |
| 19,077 | 1.296%, 12/15/35, IO, VRN (a)(b) | 79,015 |
| 136 | 7.00%, 2/25/33 | 146,093 |
| 2,000 | 7.46%, 1/17/35, VRN (g) | 2,088,073 |
| | Credit Suisse Mortgage Capital Certificates, CMO, | |
| 1,000 | 5.467%, 7/18/16, VRN (a)(b) | 1,018,986 |
| 5,000 | 5.467%, 9/15/39 (g) | 5,535,330 |
| 419 | 5.896%, 4/25/36 | 261,884 |
| 326 | 6.50%, 5/25/36 | 178,157 |
| 1,925 | CW Capital Cobalt Ltd., 5.223%, 8/15/48, CMO (g) | 2,121,368 |
| 3,168 | FFCA Secured Lending Corp., 1.088%, 9/18/27, CMO, IO, VRN (a)(b) | 89,856 |
| 346 | First Horizon Alternative Mortgage Securities, 2.456%, 8/25/35, CMO, FRN | 63,959 |
| 285 | First Horizon Asset Securities, Inc., 2.625%, 4/25/35, CMO, FRN | 275,622 |
| 15,728 | FREMF Mortgage Trust, 0.10%, 5/25/20, CMO, IO, VRN (d) | 90,730 |
| 184 | G-Force LLC, 5.158%, 12/25/39, CMO (a)(b) | 181,700 |
| | GMAC Commercial Mortgage Securities, Inc., CMO (a)(b), | |
| 733 | 5.361%, 4/10/40, VRN | 742,970 |
| 1,786 | 6.50%, 5/15/35 | 1,872,313 |
| 1,500 | 6.952%, 5/15/30, VRN (c) | 270,684 |
| 1,500 | 8.247%, 9/15/35, VRN | 1,498,821 |
| | Greenwich Capital Commercial Funding Corp., CMO, | |
| 1,500 | 5.419%, 1/5/36, VRN (a)(b) | 1,506,705 |
| 2,000 | 5.444%, 3/10/39 (g) | 2,208,861 |
| | GS Mortgage Securities Corp. II, CMO, | |
| 18,026 | 1.561%, 8/10/43, IO, VRN (a)(b) | 1,548,886 |
| 2,710 | 4.805%, 3/6/20, FRN (a)(b) | 2,637,517 |
| 5,750 | 5.56%, 11/10/39 (g) | 6,511,794 |
| 1,670 | 5.997%, 8/10/43, VRN (a)(b) | 1,633,382 |
| | Harborview Mortgage Loan Trust, CMO, FRN, | |

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| | | |
|-------|-----------------|---------|
| 108 | 0.432%, 1/19/38 | 70,279 |
| 1,518 | 0.492%, 1/19/36 | 924,775 |
| 852 | 5.455%, 6/19/36 | 530,109 |

PCM Fund, Inc. Schedule of Investments

March 31, 2012 (unaudited) (continued)

| Principal Amount (000s) | | Value* |
|-------------------------|--|------------|
| \$ 982 | Indymac INDA Mortgage Loan Trust, 5.213%, 6/25/37, CMO, FRN | \$ 764,557 |
| | Indymac Index Mortgage Loan Trust, CMO, FRN, | |
| 240 | 1.042%, 11/25/34 | 157,480 |
| 382 | 5.396%, 5/25/36 | 191,598 |
| | JPMorgan Chase Commercial Mortgage Securities Corp., CMO, | |
| 61,000 | 0.451%, 2/15/46, IO, VRN (a)(b) | 1,973,807 |
| 8,544 | 1.248%, 3/12/39, IO, VRN (a)(b) | 78,450 |
| 4,100 | 5.647%, 3/18/51, VRN (a)(b)(g) | 4,147,132 |
| 1,400 | 5.734%, 2/12/49, VRN | 1,581,959 |
| 1,195 | 5.794%, 2/12/51, VRN | 1,375,029 |
| 1,150 | 5.984%, 2/15/51, VRN | 1,237,551 |
| 700 | 6.135%, 7/12/37 (a)(b) | 702,822 |
| 189 | 6.162%, 5/12/34 (g) | 188,591 |
| | JPMorgan Mortgage Trust, CMO, FRN, | |
| 450 | 2.777%, 7/25/35 | 428,180 |
| 65 | 4.989%, 10/25/35 | 63,925 |
| | LB Commercial Conduit Mortgage Trust, CMO, | |
| 520 | 5.60%, 10/15/35 (a)(b) | 568,015 |
| 950 | 5.936%, 7/15/44, VRN | 1,086,858 |
| | LB-UBS Commercial Mortgage Trust, CMO, | |
| 1,278 | 5.347%, 11/15/38 (g) | 1,440,348 |
| 1,500 | 5.683%, 7/15/35 (a)(b) | 1,472,179 |
| | Lehman Mortgage Trust, CMO, | |
| 1,383 | 6.00%, 5/25/37 | 1,217,646 |
| 643 | 6.452%, 4/25/36, VRN | 622,397 |
| 1,570 | Luminent Mortgage Trust, 0.412%, 12/25/36, CMO, FRN | 930,327 |
| 1,827 | MASTR Asset Securitization Trust, 6.00%, 6/25/36, CMO, FRN (g) | 1,537,193 |
| 1,500 | Merrill Lynch Mortgage Investors, Inc., 6.583%, 12/15/30, CMO, VRN | 1,587,730 |
| | Merrill Lynch/Countrywide Commercial Mortgage Trust, CMO (g), | |
| 1,500 | 5.485%, 3/12/51, VRN | 1,620,817 |
| 2,300 | 5.70%, 9/12/49 | 2,524,468 |
| | MLCC Mortgage Investors, Inc., CMO, FRN, | |
| 561 | 0.452%, 7/25/30 | 447,455 |
| 702 | 0.491%, 11/25/35 | 581,116 |
| 432 | 0.572%, 11/25/29 | 384,212 |
| | Morgan Stanley Capital I, CMO, | |
| 70,247 | 0.263%, 11/12/49, IO, VRN (a)(b) | 855,157 |
| 2,000 | 5.447%, 2/12/44, VRN (g) | 2,248,471 |
| 315 | 5.692%, 4/15/49, VRN | 345,259 |
| 558 | 5.809%, 12/12/49 | 641,553 |
| 4,000 | 6.01%, 11/15/30 (a)(b)(g) | 3,978,818 |
| 1,202 | Morgan Stanley Dean Witter Capital I, 6.50%, 11/15/36, CMO (a)(b) | 1,206,858 |
| | Morgan Stanley Mortgage Loan Trust, CMO, | |
| 757 | 2.986%, 1/25/35, FRN | 64,678 |
| 909 | 6.00%, 8/25/37 | 809,824 |
| 1,200 | Morgan Stanley Reremic Trust, 7/17/56, CMO, PO (a)(b) | 1,053,000 |
| | Ocwen Residential MBS Corp., CMO, VRN (a)(b), | |
| 33 | 6.789%, 6/25/39 (c) | 12 |
| 840 | 7.00%, 10/25/40 (d) | 75,076 |

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| RBSCF Trust, CMO, VRN (a)(b), | | |
|-------------------------------|---------------------|-----------|
| 1,000 | 5.223%, 8/16/48 | 1,007,282 |
| 1,000 | 5.331%, 2/16/44 | 1,030,542 |
| 1,000 | 5.336%, 5/16/47 (g) | 1,044,551 |
| 2,744 | 6.068%, 2/17/51 (g) | 2,616,456 |

PCM Fund, Inc. Schedule of Investments

March 31, 2012 (unaudited) (continued)

| Principal Amount (000s) | | Value* |
|--|--|--------------------|
| \$ 727 | Regal Trust IV, 2.724%, 9/29/31, CMO, FRN (a)(b) Residential Accredit Loans, Inc., CMO, | \$ 644,300 |
| 254 | 0.422%, 6/25/46, FRN | 102,009 |
| 809 | 3.907%, 1/25/36, FRN | 462,312 |
| 637 | 6.00%, 8/25/35 | 519,797 |
| 651 | 6.50%, 9/25/37 | 386,340 |
| 496 | Residential Asset Securitization Trust, 6.00%, 3/25/37, CMO | 323,776 |
| 915 | Residential Funding Mortgage Securities I, 6.00%, 6/25/36, CMO | 729,843 |
| | RMF Commercial Mortgage Pass Through Certificates, CMO (a)(b), | |
| 149 | 7.471%, 1/15/19 | 149,548 |
| 265 | 9.350%, 1/15/19, VRN | 262,708 |
| | Structured Adjustable Rate Mortgage Loan Trust, CMO, | |
| 1,081 | 5.235%, 11/25/36, FRN | 888,631 |
| 1,287 | 5.407%, 4/25/36, VRN | 865,871 |
| 500 | 5.434%, 9/25/36, FRN | 340,249 |
| 818 | 5.508%, 1/25/36, FRN | 578,848 |
| 1,628 | Structured Asset Mortgage Investments, Inc., 0.452%, 8/25/36, CMO, FRN | 953,251 |
| 340 | Structured Asset Securities Corp., 5.00%, 5/25/35, CMO | 331,751 |
| 336 | TBW Mortgage-Backed Pass Through Certificates, 6.00%, 7/25/36, CMO | 169,532 |
| 1,500 | TIAA Retail Commercial Trust, 5.77%, 6/19/33, CMO (a)(b)(g) | 1,555,060 |
| | Wachovia Bank Commercial Mortgage Trust, CMO, | |
| 34,524 | 0.919%, 10/15/41, IO, VRN (a)(b) | 619,542 |
| 2,500 | 5.188%, 2/15/41, VRN (a)(b)(g) | 2,353,950 |
| 1,000 | 5.509%, 4/15/47 | 1,086,564 |
| 5,044 | 5.605%, 2/15/35, VRN (a)(b)(g) | 5,012,866 |
| 1,825 | 5.899%, 2/15/51, VRN (g) | 2,007,823 |
| 1,000 | WaMu Commercial Mortgage Securities Trust, 6.132%, 3/23/45, CMO, VRN (a)(b) | 735,572 |
| 1,009 | WaMu Mortgage Pass Through Certificates, 2.557%, 12/25/36, CMO, FRN (g) | 709,828 |
| 3,528 | Washington Mutual Alternative Mortgage Pass Through Certificates, 6.50%, 8/25/36, CMO | 2,018,085 |
| 198 | Wells Fargo Alternative Loan Trust, 5.50%, 7/25/22, CMO | 189,128 |
| 900 | Wells Fargo Mortgage-Backed Securities Trust, 5.669%, 10/25/36, CMO, FRN | 803,596 |
| | WF-RBS Commercial Mortgage Trust, CMO, IO, VRN (a)(b), | |
| 2,281 | 0.885%, 6/15/44 | 95,216 |
| 31,692 | 1.172%, 2/15/44 (g) | 1,721,499 |
| | Total Mortgage-Backed Securities (cost \$146,269,936) | 157,766,458 |
| CORPORATE BONDS & NOTES 29.8% | | |
| Airlines 2.6% | | |
| 339 | Northwest Airlines, Inc., 1.243%, 11/20/15, FRN (MBIA) (g) | 321,991 |
| | United Air Lines Pass Through Trust (g), | |
| 779 | 6.636%, 1/2/24 | 825,992 |
| 835 | 9.75%, 1/15/17 | 955,945 |
| 768 | 10.40%, 5/1/18 | 875,356 |
| | | 2,979,284 |

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Banking 4.0%

| | | |
|-------|--|-----------|
| 2,200 | Discover Bank, 7.00%, 4/15/20 (g) | 2,527,567 |
| 2,000 | Regions Financial Corp., 7.75%, 11/10/14 (g) | 2,202,500 |
| | | 4,730,067 |

PCM Fund, Inc. Schedule of Investments

March 31, 2012 (unaudited) (continued)

| Principal Amount (000s) | | Value* |
|---------------------------------|---|------------|
| Energy 0.9% | | |
| \$ 950 | Consol Energy, Inc., 8.00%, 4/1/17 (g) | \$ 995,125 |
| Financial Services 10.6% | | |
| | Ally Financial, Inc., | |
| 10 | 5.90%, 1/15/19 | 9,232 |
| 126 | 6.00%, 2/15/19 - 3/15/19 | 116,582 |
| 30 | 6.15%, 3/15/16 | 29,820 |
| 20 | 6.30%, 8/15/19 | 18,659 |
| 16 | 6.50%, 10/15/16 | 15,686 |
| 23 | 6.65%, 6/15/18 | 21,760 |
| 25 | 6.70%, 6/15/18 | 23,745 |
| 84 | 6.75%, 8/15/16 - 10/15/18 | 81,307 |
| 2 | 6.80%, 10/15/18 | 1,930 |
| 12 | 6.85%, 4/15/16 | 11,896 |
| 174 | 6.90%, 8/15/18 | 170,871 |
| 193 | 7.00%, 6/15/17 - 8/15/18 | 190,067 |
| 46 | 7.05%, 3/15/18 - 4/15/18 | 44,833 |
| 6 | 7.15%, 9/15/18 | 5,849 |
| 60 | 7.20%, 10/15/17 | 58,964 |
| 133 | 7.25%, 9/15/17 - 9/15/18 | 130,607 |
| 297 | 7.30%, 12/15/17 - 1/15/18 | 290,801 |
| 76 | 7.35%, 4/15/18 | 74,054 |
| 20 | 7.375%, 11/15/16 | 19,894 |
| 36 | 7.40%, 12/15/17 | 35,247 |
| 26 | 7.50%, 8/15/17 - 11/15/17 | 25,564 |
| 8 | 7.75%, 10/15/17 | 7,980 |
| 37 | 8.00%, 10/15/17 - 11/15/17 | 36,756 |
| 5 | 8.20%, 3/15/17 | 5,009 |
| 322 | 9.00%, 7/15/20 | 322,755 |
| 1,000 | Cantor Fitzgerald L.P., 7.875%, 10/15/19 (a)(b)(g) | 997,272 |
| 800 | CIT Group, Inc., 5.25%, 4/1/14 (a)(b)(g) | 821,000 |
| 1,000 | Citigroup Capital XXI, 8.30%, 12/21/77, (converts to FRN on 12/21/37) (g) | 1,012,000 |
| | Ford Motor Credit Co. LLC (g), | |
| 1,000 | 6.625%, 8/15/17 | 1,109,142 |
| 500 | 8.00%, 12/15/16 | 580,837 |
| 1,600 | International Lease Finance Corp., 7.125%, 9/1/18 (a)(b)(g) | 1,752,000 |
| 1,200 | Morgan Stanley, 1.047%, 10/15/15, FRN (g) | 1,080,633 |
| | SLM Corp. (g), | |
| 1,000 | 8.00%, 3/25/20 | 1,082,500 |
| 1,100 | 8.45%, 6/15/18 | 1,232,000 |
| 1,000 | Stone Street Trust, 5.902%, 12/15/15 (a)(b)(g) | 1,005,395 |
| | | 12,422,647 |
| Hotels/Gaming 1.1% | | |
| 1,100 | MGM Resorts International, 9.00%, 3/15/20 (g) | 1,229,250 |

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Insurance 4.5%

| | | |
|-------|---|-----------|
| | American International Group, Inc. (g), | |
| 2,000 | 4.25%, 5/15/13 | 2,046,118 |
| 500 | 5.45%, 5/18/17 | 538,604 |
| 1,350 | 6.25%, 5/1/36 | 1,462,535 |
| 1,100 | 6.40%, 12/15/20 | 1,246,591 |
| | | 5,293,848 |

PCM Fund, Inc. Schedule of Investments

March 31, 2012 (unaudited) (continued)

| Principal Amount (000s) | | Value* |
|--|--|------------|
| Oil & Gas 0.2% | | |
| \$ 285 | Global Geophysical Services, Inc., 10.50%, 5/1/17 (g) | \$ 285,000 |
| Paper/Paper Products 0.9% | | |
| 1,000 | Weyerhaeuser Co., 7.375%, 3/15/32 (g) | 1,065,740 |
| Real Estate Investment Trust 1.9% | | |
| 2,000 | SL Green Realty Corp., 7.75%, 3/15/20 (g) | 2,281,234 |
| Retail 2.5% | | |
| | CVS Pass Through Trust (g), | |
| 1,671 | 5.88%, 1/10/28 | 1,780,250 |
| 959 | 7.507%, 1/10/32 (a)(b) | 1,151,439 |
| | | 2,931,689 |
| Utilities 0.6% | | |
| 250 | Dynegy Holdings, Inc., 7.125%, 5/15/18 (c) | 165,000 |
| 500 | Energy Future Holdings Corp., 10.00%, 1/15/20 (g) | 545,000 |
| | | 710,000 |
| | Total Corporate Bonds & Notes (cost \$31,171,469) | 34,923,884 |
| ASSET-BACKED SECURITIES 8.4% | | |
| 294 | Advanta Business Card Master Trust, 0.492%, 6/20/14, FRN | 273,253 |
| 117 | Ameriquest Mortgage Securities, Inc., 5.867%, 2/25/33, FRN | 8,604 |
| 158 | Asset-Backed Securities Corp. Home Equity, 2.992%, 6/21/29, FRN | 32,250 |
| 541 | Bayview Financial Acquisition Trust, 0.521%, 12/28/36, FRN | 395,598 |
| | Bear Stearns Asset-Backed Securities Trust, FRN, | |
| 92 | 0.622%, 6/25/36 | 71,876 |
| 981 | 3.200%, 7/25/36 | 609,835 |
| 1,311 | Bombardier Capital Mortgage Securitization Corp., 7.83%, 6/15/30, VRN | 717,794 |
| 762 | Denver Arena Trust, 6.94%, 11/15/19 (a)(b) | 782,986 |
| 803 | EMC Mortgage Loan Trust, 0.892%, 2/25/41, FRN (a)(b) | 663,052 |
| 313 | GE Mortgage Services LLC, 6.705%, 4/25/29, VRN | 283,716 |
| 207 | GSAA Trust, 0.512%, 6/25/35, FRN | 174,782 |
| 6,250 | Indymac Residential Asset Backed Trust, 0.482%, 4/25/47, FRN (g) | 2,311,125 |
| 56 | Keystone Owner Trust, 9.00%, 1/25/29 (a)(b) | 53,987 |
| 729 | Lehman XS Trust, 5.42%, 11/25/35 | 674,772 |
| 2,455 | Merrill Lynch First Franklin Mortgage Loan Trust, 0.482%, 5/25/37, FRN | 1,012,400 |
| 630 | Merrill Lynch Mortgage Investors, Inc., 0.742%, 6/25/36, FRN | 333,697 |
| 807 | Oakwood Mortgage Investors, Inc., 6.89%, 11/15/32, VRN | 242,864 |
| 86 | Residential Asset Mortgage Products, Inc., 0.612%, 9/25/32, FRN | 56,313 |
| 68 | Southern Pacific Secured Asset Corp., 0.582%, 7/25/29, FRN | 51,648 |
| 68 | Structured Asset Investment Loan Trust, 4.742%, 10/25/33, FRN | 7,375 |

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| | | |
|--|---|-----------|
| 1,000 | UCFC Manufactured Housing Contract, 7.90%, 1/15/28, VRN | 1,040,836 |
| 1,856 | UPS Capital Business Credit, 5.992%, 4/15/26, FRN | 102,953 |
| Total Asset-Backed Securities (cost \$11,411,777) | | 9,901,716 |
| U.S. GOVERNMENT AGENCY SECURITIES 2.0% | | |
| Freddie Mac, CMO, IO, VRN, | | |
| 3,158 | 0.683%, 1/25/21 | 133,301 |
| 10,500 | 3.615%, 6/25/46 | 2,194,094 |
| Total U.S. Government Agency Securities (cost \$2,418,276) | | 2,327,395 |

PCM Fund, Inc. Schedule of Investments

March 31, 2012 (unaudited) (continued)

Principal

Amount

(000s)

Value*

| | | |
|-----------------------------|---|------------|
| MUNICIPAL BONDS 1.6% | | |
| Arkansas 0.7% | | |
| \$ 795 | Little Rock Municipal Property Owners Multipurpose Improvement Dist. No. 10, Special Tax, Capital Improvement Projects, 7.20%, 3/1/32, Ser. B | \$ 774,616 |
| Virginia 0.3% | | |
| 355 | Lexington Industrial Dev. Auth. Rev., 8.00%, 1/1/15, Ser. C | 354,084 |
| West Virginia 0.6% | | |
| 940 | Tobacco Settlement Finance Auth. Rev., 7.467%, 6/1/47, Ser. A | 692,855 |
| | Total Municipal Bonds (cost \$2,025,684) | 1,821,555 |

CONVERTIBLE BONDS 1.1%**Real Estate Investment Trust 1.1%**

| | | |
|-------|--|-----------|
| 1,200 | SL Green Operating Partnership L.P., 3.00%, 10/15/17 (a)(b) (cost \$1,192,733) | 1,351,500 |
|-------|--|-----------|

Shares

COMMON STOCK 0.0%**Oil, Gas & Consumable Fuels 0.0%**

| | | |
|-------|---|--------|
| 1,294 | SemGroup Corp., Class A (f) (cost \$33,638) | 37,700 |
|-------|---|--------|

Units

WARRANTS 0.0%**Oil, Gas & Consumable Fuels 0.0%**

| | | |
|-------|---|--------|
| 1,362 | SemGroup Corp., expires 11/30/14 (f) (cost \$6,128) | 10,016 |
|-------|---|--------|

Principal

Amount

(000s)

| | | |
|--|---|-----------|
| SHORT-TERM INVESTMENTS 8.5% | | |
| U.S. Treasury Obligations (e)(h) 5.1% | | |
| \$ 6,039 | U.S. Treasury Bills, 0.053%-0.13%, 6/28/12-9/6/12 (cost \$6,035,950) | 6,036,187 |
| Repurchase Agreements 3.2% | | |
| 3,200 | Citigroup Global Markets, Inc., dated 3/30/12, 0.15%, due 4/2/12, proceeds \$3,200,040; collateralized by Federal Home Loan Bank, 0.2%, due 4/30/13, valued at \$3,268,034 including accrued interest | 3,200,000 |
| 400 | Morgan Stanley & Co., dated 3/30/12, 0.12%, due 4/2/12, proceeds \$400,004; collateralized by U.S. Treasury Notes, 2.00%, due 11/15/21, valued at \$406,072 including accrued interest | 400,000 |

PCM Fund, Inc. Schedule of Investments

March 31, 2012 (unaudited) (continued)

| Principal Amount (000s) | | Value* |
|--------------------------------|--|----------------|
| \$ 124 | State Street Bank & Trust Co., dated 3/30/12, 0.01%, due 4/2/12, proceeds \$124,000; collateralized by U.S. Treasury Notes, 0.75%, due 8/15/13, valued at \$130,956 including accrued interest | \$ 124,000 |
| | Total Repurchase Agreements (cost \$3,724,000) | 3,724,000 |
| Municipal Bonds 0.1% | | |
| Iowa 0.1% | | |
| 120 | Dickinson Cnty. Rev., Spirit Lake, 7.75%, 12/1/12, Ser. B (cost \$120,000) | 122,752 |
| Corporate Notes 0.1% | | |
| Financial Services 0.1% | | |
| 100 | Ally Financial, Inc., 7.125%, 8/15/12 (cost \$99,957) | 100,004 |
| | Total Short-Term Investments (cost \$9,979,907) | 9,982,943 |
| | Total Investments (cost \$204,509,548) (i) 185.9% | 218,123,167 |
| | Liabilities in excess of other assets (85.9%) | (100,805,665) |
| | Net Assets 100% | \$ 117,317,502 |

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, on the basis of quotes obtained from a quotation reporting system, established market makers, or independent pricing services.

Portfolio securities and other financial instruments for which market quotations are not readily available, or for which 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 Directors, or persons acting at their discretion pursuant to procedures established by the Board of Directors, including certain fixed income securities which may be valued with reference to securities whose prices are more readily available. The Fund's investments 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 mean between the last quoted bid and ask price. 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. Centrally cleared swaps are valued at the price determined by the relevant exchange. Short term securities 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, and these differences could be material. The Fund's net asset value is normally determined 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 \$72,648,142, representing 61.9% of net assets.
- (b) 144A 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.
- (c) In default.
- (d) Fair-Valued Securities with an net value of \$165,806, representing 0.1% of net assets.
- (e) All or partial amount segregated for the benefit of the counterparty as collateral for derivatives.
- (f) Non-income producing.
- (g) All or partial amount transferred for the benefit of the counterparty as collateral for reverse repurchase agreements.
- (h) Rates reflect the effective yields at purchase date.
- (i) At March 31, 2012, the cost basis of investments for federal income tax purposes was \$204,509,548. Gross unrealized appreciation was \$22,000,334; gross unrealized depreciation was \$8,386,715; and net unrealized appreciation was \$13,613,619.

Glossary:

| | |
|------|--|
| CMO | Collateralized Mortgage Obligation |
| FRN | Floating Rate Note. The interest rate disclosed reflects the rate in effect on March 31, 2012. |
| IO | Interest Only |
| MBIA | insured by Municipal Bond Investors Assurance |
| MBS | Mortgage-Backed Securities |
| PO | Principal Only |
| VRN | Variable Rate Note. Instruments whose interest rates change on a specified date (such as a coupon date or interest payment date) and/or 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 March 31, 2012. |

Other Investments:

- (A) Credit default swap agreements:

OTC sell protection swap agreements outstanding at March 31, 2012 ⁽¹⁾:

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| Swap Counterparty/ Referenced Debt Issuer | Notional Amount (000s) ⁽³⁾ | Credit Spread ⁽²⁾ | Termination Date | Payments Received | Market Value ⁽⁴⁾ | Upfront Premiums Paid(Received) | Unrealized Appreciation (Depreciation) |
|--|--|------------------------------------|---------------------|----------------------|--------------------------------|---------------------------------------|--|
| Citigroup: | | | | | | | |
| SLM | \$ 1,700 | 2.64% | 12/20/13 | 5.00% | \$ 70,491 | \$ 146,950 | \$ (76,459) |
| SLM | 500 | 2.64 | 12/20/13 | 5.00 | 20,733 | (78,750) | 99,483 |
| Deutsche Bank: | | | | | | | |
| SLM | 500 | 2.64 | 12/20/13 | 5.00 | 20,733 | (61,250) | 81,983 |
| SLM | 3,000 | 4.32 | 3/20/19 | 5.35 | 172,351 | | 172,351 |
| Royal Bank of Scotland: | | | | | | | |
| Markit ABX.HE Index | 2,839 | | 8/25/37 | 0.09 | (1,423,041) | (1,405,443) | (17,598) |
| Markit ABX.HE Index | 3,425 | | 7/25/45 | 0.18 | (366,112) | (342,524) | (23,588) |
| Markit ABX.HE Index | 6,840 | | 7/25/45 | 0.32 | (3,756,940) | (4,019,070) | 262,130 |
| | | | | | \$ (5,261,785) | \$ (5,760,087) | \$ 498,302 |

Centrally cleared sell protection swap agreements⁽¹⁾:

| Broker (Exchange) | Notional Amount (000s) ⁽³⁾ | Credit Spread ⁽²⁾ | Termination Date | Payments Received | Market Value ⁽⁴⁾ | Unrealized Appreciation |
|-----------------------------------|--|------------------------------------|---------------------|----------------------|--------------------------------|----------------------------|
| Credit Suisse First Boston (CME): | | | | | | |
| Dow Jones CDX IG-18 5-Year Index | \$ 1,750 | 0.92% | 6/20/17 | 1.00% | \$ (16,031) | \$ 1,641 |

CDX Credit Derivatives Index

CME Chicago Mercantile Exchange

IG Investment Grade

OTC Over-the-Counter

Credit spread not quoted for asset-backed securities.

- ⁽¹⁾ *If the Fund is a seller of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Fund will either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation or underlying securities comprising the referenced index or (ii) pay a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index.*
- ⁽²⁾ *Implied credit spreads, represented in absolute terms, utilized in determining the market value of credit default swap agreements as of period end serve as an indicator of the current status of the payment/performance risk and represent the likelihood or risk of default for the credit derivative. The implied credit spread of a particular referenced entity reflects the cost of buying/selling protection and may include upfront payments required to be made to enter into the agreement. Wider credit spreads represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.*
- ⁽³⁾ *This represents the maximum potential amount the Fund could be required to make available as a seller of credit protection or receive as a buyer of credit protection if a credit event occurs as defined under the terms of that particular swap agreement.*
- ⁽⁴⁾ *The quoted market prices and resulting values for credit default swap agreements serve as an indicator of the status at March 31, 2012 of the payment/performance risk and represent the likelihood of an expected liability (or profit) for the credit derivative should the notional amount of the swap agreement been closed/sold as of the period end. Increasing market values, in absolute terms when compared to the notional amount of the swap, represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.*

The Fund received \$260,000 in cash as collateral for derivatives. Cash collateral received may be invested in accordance with the Fund's investment strategy.

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(B) Open reverse repurchase agreements at March 31, 2012:

| Counterparty | Rate | Trade Date | Maturity Date | Principal & Interest | Principal |
|---------------------------|-----------|------------|---------------|----------------------|------------|
| Barclays Bank | 0.45% | 3/1/12 | 4/2/12 | \$ 342,133 | \$ 342,000 |
| | 0.45% | 3/31/12 | 5/3/12 | 341,000 | 341,000 |
| | 0.674% | 3/19/12 | 6/22/12 | 2,088,508 | 2,088,000 |
| | 0.924% | 3/19/12 | 6/22/12 | 932,311 | 932,000 |
| | 0.941% | 3/29/12 | 4/30/12 | 1,377,108 | 1,377,000 |
| | 0.942% | 3/23/12 | 4/24/12 | 2,239,527 | 2,239,000 |
| | 1.00% | 2/24/12 | 8/24/12 | 6,273,441 | 6,267,000 |
| | 1.00% | 2/27/12 | 8/27/12 | 888,839 | 888,000 |
| | 1.08% | 1/17/12 | 4/19/12 | 718,613 | 717,000 |
| | 1.25% | 2/24/12 | 8/24/12 | 5,081,520 | 5,075,000 |
| | 1.492% | 3/14/12 | 4/16/12 | 1,275,951 | 1,275,000 |
| | 1.492% | 3/16/12 | 4/18/12 | 1,140,756 | 1,140,000 |
| | 1.492% | 3/22/12 | 4/23/12 | 2,163,896 | 2,163,000 |
| | Citigroup | 0.99% | 3/21/12 | 4/19/12 | 1,770,535 |
| Deutsche Bank | 0.65% | 2/16/12 | 5/15/12 | 1,886,532 | 1,885,000 |
| | 0.65% | 2/17/12 | 5/16/12 | 1,024,814 | 1,024,000 |
| | 0.80% | 3/14/12 | 6/15/12 | 3,018,207 | 3,017,000 |
| | 0.85% | 2/16/12 | 5/15/12 | 1,152,223 | 1,151,000 |
| | 0.85% | 2/17/12 | 5/17/12 | 734,763 | 734,000 |
| Greenwich Capital Markets | 0.65% | 2/15/12 | 12/15/15 | 730,606 | 730,000 |
| JPMorgan Chase | 0.85% | 3/9/12 | 6/7/12 | 513,279 | 513,000 |
| | 1.00% | 2/24/12 | 8/22/12 | 528,543 | 528,000 |
| Morgan Stanley | 1.05% | 3/14/12 | 4/11/12 | 1,390,730 | 1,390,000 |
| | 1.25% | 1/9/12 | 4/10/12 | 7,120,462 | 7,100,000 |
| Royal Bank of Canada | 0.90% | 2/27/12 | 5/24/12 | 961,817 | 961,000 |
| | 1.474% | 3/14/12 | 6/12/12 | 738,544 | 738,000 |
| | 1.474% | 3/15/12 | 6/18/12 | 487,339 | 487,000 |
| | 1.474% | 3/16/12 | 6/18/12 | 1,206,790 | 1,206,000 |
| | 1.988% | 12/16/11 | 6/18/12 | 1,861,937 | 1,851,000 |
| Royal Bank of Scotland | 0.65% | 2/15/12 | 5/15/12 | 1,380,145 | 1,379,000 |
| | 0.992% | 3/19/12 | 4/16/12 | 900,322 | 900,000 |
| | 0.992% | 3/19/12 | 4/18/12 | 8,750,133 | 8,747,000 |
| | 0.992% | 3/22/12 | 4/19/12 | 6,243,720 | 6,242,000 |
| | 1.242% | 3/12/12 | 4/11/12 | 1,941,339 | 1,940,000 |
| | 1.242% | 3/15/12 | 4/13/12 | 1,423,835 | 1,423,000 |
| | 1.242% | 3/19/12 | 4/18/12 | 7,080,174 | 7,077,000 |
| | 1.242% | 3/22/12 | 4/19/12 | 5,790,997 | 5,789,000 |
| | 1.243% | 3/7/12 | 4/5/12 | 8,373,220 | 8,366,000 |
| | 1.243% | 3/8/12 | 4/5/12 | 2,037,687 | 2,036,000 |
| UBS | 0.54% | 3/16/12 | 6/15/12 | 1,199,288 | 1,199,000 |
| | 0.82% | 3/21/12 | 6/20/12 | 995,249 | 995,000 |

\$ 96,022,000

The weighted average daily balance of reverse repurchase agreements outstanding during the three months ended March 31, 2012 was \$91,101,198 at a weighted average interest rate of 1.07%. The total market value of underlying collateral (refer to the Schedule of Investments for positions transferred for the benefit of the counterparty as collateral for reverse repurchase agreements) for open reverse repurchase agreements at March 31, 2012 was \$111,610,742.

At March 31, 2012, the Fund held \$707,081 in principal value of U.S. Treasury Bills as collateral for reverse repurchase agreements. Securities held as collateral will not be pledged and are not reflected in the Fund's Schedule of Investments.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the exit price) in an orderly transaction between market participants. The three levels of the fair value hierarchy are described below:

Level 1 quoted prices in active markets for identical investments that the Fund has the ability to access

Level 2 valuations based on other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.) or quotes from inactive exchanges

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

An investment asset's or liability's level within the fair value hierarchy is based on the lowest level input, individually or in the aggregate, that is significant to fair value measurement. The objective of fair value measurement remains the same even when there is a significant decrease in the volume and level of activity for an asset or liability and regardless of the valuation techniques used.

The valuation techniques used by the Fund to measure fair value during the three months ended March 31, 2012 maximized the use of observable inputs and minimized the use of unobservable inputs. When fair-valuing securities, the Fund utilized option adjusted spread pricing techniques.

The inputs or methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. The following are certain inputs and techniques that the Fund generally uses to evaluate how to classify each major category of assets and liabilities for Level 2 and Level 3, in accordance with Generally Accepted Accounting Principles.

Equity Securities (Common and Preferred Stock) Equity securities traded in inactive markets are valued using inputs which include broker-dealer quotes, recently executed transactions adjusted for changes in the benchmark index, or evaluated price quotes received from independent pricing services that take into account the integrity of the market sector and issuer, the individual characteristics of the security, and information received from broker-dealers and other market sources pertaining to the issuer or security. To the extent that these inputs are observable, the values of equity securities are categorized as Level 2. To the extent that these inputs are unobservable, the values are categorized as Level 3.

U.S. Treasury Obligations U.S. Treasury obligations are valued by independent pricing services based on pricing models that evaluate the mean between the most recently quoted bid and ask price. The models also take into consideration data received from active market makers and broker-dealers, yield curves, and the spread over comparable U.S. Treasury issues. The spreads change daily in response to market conditions and are generally obtained from the new issue market and broker-dealer sources. To the extent that these inputs are observable, the values of U.S. Treasury obligations are categorized as Level 2. To the extent that these inputs are unobservable, the values are categorized as Level 3.

Government Sponsored Enterprise and Mortgage-Backed Securities Government sponsored enterprise and mortgage-backed securities are valued by independent pricing services using pricing models based on inputs that include issuer type, coupon, cash flows, mortgage prepayment projection tables and Adjustable Rate Mortgage evaluations that incorporate index data, periodic and life caps, the next coupon reset date, and the convertibility of the bond. To the extent that these inputs are observable, the values of government sponsored enterprise and mortgage-backed securities are categorized as Level 2. To the extent that these inputs are unobservable, the values are categorized as Level 3.

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

Corporate Bonds & Notes Corporate bonds and notes are generally comprised of two main categories: investment grade bonds and high yield bonds. Investment grade bonds are valued by independent pricing services using various inputs and techniques, which include broker-dealer quotations, live trading levels, recently executed transactions in securities of the issuer or comparable issuers, and option adjusted spread models that include base curve and spread curve inputs. Adjustments to individual bonds can be applied to recognize trading differences compared to other bonds issued by the same issuer. High yield bonds are valued by independent pricing services based primarily on broker-dealer quotations from relevant market makers and recently executed transactions in securities of the issuer or comparable issuers. The broker-dealer quotations

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received are supported by credit analysis of the issuer that takes into consideration credit quality assessments, daily trading activity, and the activity of the underlying equities, listed bonds and sector specific trends. To the extent that these inputs are observable, the values of corporate bonds and notes are categorized as Level 2. To the extent that these inputs are unobservable, the values are categorized as Level 3.

Convertible Bonds Convertible bonds are valued by independent pricing services based on various inputs and techniques, which include broker-dealer quotations from relevant market makers and recently executed transactions in securities of the issuer or comparable issuers. The broker-dealer quotations received are supported by credit analysis of the issuer that takes into consideration credit quality assessments, daily trading activity, and the activity of the underlying equities, listed bonds and sector-specific trends. To the extent that these inputs are observable, the values of convertible bonds are categorized as Level 2. To the extent that these inputs are unobservable, the values are categorized as Level 3.

Asset-Backed Securities and Collateralized Mortgage Obligations Asset-backed securities and collateralized mortgage obligations are valued by independent pricing services using pricing models based on a security's average life volatility. The models also take into account tranche characteristics such as coupon average life, collateral types, ratings, the issuer and tranche type, underlying collateral and performance of the collateral, and discount margin for certain floating rate issues. To the extent that these inputs are observable, the values of asset-backed securities and collateralized mortgage obligations are categorized as Level 2. To the extent that these inputs are unobservable, the values are categorized as Level 3.

Credit Default Swaps OTC credit default swaps are valued by independent pricing services using pricing models that take into account, among other factors, information received from market makers and broker-dealers, default probabilities from index specific credit spread curves, recovery rates, and cash flows. Centrally cleared swaps are valued at the price determined by the relevant exchange. To the extent that these inputs are observable, the values of OTC credit default swaps are categorized as Level 2. To the extent that these inputs are unobservable, the values are categorized as Level 3.

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The Fund's policy is to recognize transfers between levels at the end of the reporting period.

A summary of the inputs used at March 31, 2012 in valuing the Fund's assets and liabilities is listed below (refer to the Schedule of Investments and Other Investments for detailed information on Investments in Securities and Other Financial Instruments):

| | Level 1 - Quoted Prices | Level 2 - Other Significant Observable Inputs | Level 3 - Significant Unobservable Inputs | Value at 3/31/12 |
|---|----------------------------|--|--|-----------------------|
| Investments in Securities Assets | | | | |
| Mortgage-Backed Securities | | \$ 156,365,952 | \$ 1,400,506 | \$ 157,766,458 |
| Corporate Bonds & Notes: | | | | |
| Airlines | | | 2,979,284 | 2,979,284 |
| All Other | | 31,944,600 | | 31,944,600 |
| Asset-Backed Securities | | 9,901,716 | | 9,901,716 |
| U.S. Government Agency Securities | | 2,327,395 | | 2,327,395 |
| Municipal Bonds | | 1,821,555 | | 1,821,555 |
| Convertible Bonds | | 1,351,500 | | 1,351,500 |
| Common Stock | \$ 37,700 | | | 37,700 |
| Warrants | | 10,016 | | 10,016 |
| Short-Term Investments | | 9,982,943 | | 9,982,943 |
| Total Investments in Securities Assets | \$ 37,700 | \$ 213,705,677 | \$ 4,379,790 | \$ 218,123,167 |
| Other Financial Instruments* Assets | | | | |
| Credit Contracts | | \$ 617,588 | | \$ 617,588 |
| Other Financial Instruments* Liabilities | | | | |
| Credit Contracts | | \$ (117,645) | | \$ (117,645) |
| Total Investments | \$ 37,700 | \$ 214,205,620 | \$ 4,379,790 | \$ 218,623,110 |

There were no significant transfers between Levels 1 and 2 during the three months ended March 31, 2012.

A roll forward of fair value measurements using significant unobservable inputs (Level 3) for the three months ended March 31, 2012, was as follows:

| | Beginning Balance 12/31/11 | Purchases | Sales | Accrued Discounts (Premiums) | Net Realized Gain (Loss) | Net Change in Unrealized Appreciation/ Depreciation | Transfers into Level 3 | Transfers out of Level 3** | Ending Balance 3/31/12 |
|---|----------------------------------|------------------|---------------------|------------------------------------|--------------------------------|--|---------------------------------|----------------------------------|------------------------------|
| Investments in Securities Assets | | | | | | | | | |
| Mortgage-Backed Securities | \$ 1,460,808 | \$ 18,454 | \$ (238,923) | \$ 7,001 | \$ 105,979 | \$ 67,819 | | \$ (20,632) | \$ 1,400,506 |
| Corporate Bonds & Notes: | | | | | | | | | |
| Airlines | 2,941,661 | | (100,789) | 3,831 | 2,583 | 131,998 | | | 2,979,284 |
| Total Investments | \$ 4,402,469 | \$ 18,454 | \$ (339,712) | \$ 10,832 | \$ 108,562 | \$ 199,817 | | \$ (20,632) | \$ 4,379,790 |

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* Other financial instruments are derivatives not reflected in the Schedule of Investments, such as swap agreements, which are valued at the unrealized appreciation (depreciation) of the instrument.

** Transferred out of Level 3 into Level 2 because sufficient observable inputs were available.

The net change in unrealized appreciation/depreciation of Level 3 investments which the Fund held at March 31, 2012 was \$154,874.

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 CFR270.3a-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 control over financial reporting (as defined in Rule 30a-3(d) under the Act (17 CFR270.30a-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: May 24, 2012

By /s/ Lawrence G. Altadonna
Treasurer, Principal Financial & Accounting Officer
Date: May 24, 2012

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: May 24, 2012

By /s/ Lawrence G. Altadonna
Treasurer, Principal Financial & Accounting Officer
Date: May 24, 2012