

PCM FUND, INC.
Form N-Q
November 29, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 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)

840 Newport Center Drive, Newport Beach, CA 92660

(Address of principal executive offices)

John P. Hardaway

Treasurer

PIMCO Funds

840 Newport Center Drive

Newport Beach, CA 92660

(Name and address of agent for service)

Copies to:

Brendan C. Fox

Dechert LLP

1775 I Street, N.W.

Washington, D.C. 20006

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Registrant's telephone number, including area code: (866) 746-2606

Date of fiscal year end: December 31

Date of reporting period: September 30, 2007

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 30b1-5 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 respond 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

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

September 30, 2007 (Unaudited)

| | Principal Amount (000s) | Value (000s) |
|---|-------------------------------|-----------------|
| COMMERCIAL MORTGAGE-BACKED SECURITIES 113.4% | | |
| Healthcare 0.8% | | |
| RMF Commercial Mortgage Pass-Through Certificates | | |
| 7.471% due 01/15/2019 (g) | \$ 1,000 | \$ 523 |
| 9.008% due 01/15/2019 (a)(g) | 276 | 71 |
| 9.150% due 11/28/2027 (g) | 475 | 469 |
| | | <u>1,063</u> |
| Hospitality 8.8% | | |
| Bear Stearns Commercial Mortgage Securities | | |
| 5.817% due 05/14/2016 (d)(g) | 1,500 | 1,528 |
| Commercial Mortgage Pass-Through Certificates | | |
| 5.756% due 02/05/2019 (g) | 2,000 | 1,877 |
| Hilton Hotel Pool Trust | | |
| 0.868% due 10/03/2015 (b)(d)(g) | 31,293 | 583 |
| Host Marriot Pool Trust | | |
| 8.310% due 08/03/2015 (d)(g) | 2,000 | 2,113 |
| Office Portfolio Trust | | |
| 6.778% due 02/03/2016 (g) | 1,000 | 1,015 |
| Times Square Hotel Trust | | |
| 8.528% due 08/01/2026 (g) | 3,628 | 4,231 |
| | | <u>11,347</u> |
| Multi-class 98.1% | | |
| Banc of America Commercial Mortgage, Inc. | | |
| 5.436% due 03/11/2041 (g) | 2,000 | 1,909 |
| 5.918% due 04/11/2036 (d)(g) | 929 | 930 |
| 6.290% due 06/11/2035 (g) | 700 | 684 |
| 7.224% due 04/15/2036 | 2,500 | 2,678 |
| 7.925% due 11/15/2031 (d) | 2,800 | 2,931 |
| Bear Stearns Commercial Mortgage Securities | | |
| 5.060% due 11/15/2016 | 8 | 8 |
| 5.708% due 02/11/2041 (g) | 1,000 | 900 |
| 5.978% due 05/11/2039 (g) | 1,000 | 992 |
| 6.500% due 02/15/2032 (g) | 1,332 | 1,306 |
| 6.625% due 10/15/2032 (g) | 1,258 | 1,136 |
| 7.000% due 05/20/2030 (d) | 1,541 | 1,692 |
| Carey Commercial Mortgage Trust | | |
| 5.970% due 09/20/2019 (d)(g) | 1,327 | 1,342 |
| Chase Commercial Mortgage Securities Corp. | | |
| 6.484% due 02/12/2016 (d)(g) | 1,000 | 1,041 |
| 6.650% due 07/15/2032 (g) | 2,600 | 2,627 |
| 6.887% due 10/15/2032 (g) | 1,500 | 1,550 |
| Commercial Mortgage Asset Trust | | |
| 6.975% due 01/17/2032 (d) | 2,500 | 2,690 |

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| | | |
|---|--------|-------|
| Commercial Mortgage Pass-Through Certificates | | |
| 6.586% due 07/16/2034 (d)(g) | 1,500 | 1,593 |
| 6.830% due 02/14/2034 (d)(g) | 2,893 | 3,049 |
| 6.938% due 07/16/2034 (g) | 1,500 | 1,589 |
| 8.445% due 08/15/2033 (g) | 1,500 | 1,598 |
| Credit Suisse Mortgage Capital Certificates | | |
| 5.467% due 09/15/2039 (d) | 5,000 | 4,974 |
| CS First Boston Mortgage Securities Corp. | | |
| 0.559% due 12/15/2035 (b)(d)(g) | 24,187 | 898 |
| 5.322% due 08/15/2036 (g) | 2,000 | 1,923 |
| 5.557% due 12/15/2036 (g) | 2,600 | 2,483 |
| 7.170% due 05/17/2040 (d) | 3,000 | 3,161 |
| 7.460% due 01/17/2035 (d)(g) | 2,000 | 2,151 |
| CVS Lease Pass-Through | | |
| 5.880% due 01/10/2028 (g) | 1,924 | 1,849 |
| DLJ Commercial Mortgage Corp. | | |
| 7.272% due 11/12/2031 | 135 | 138 |
| Federal Housing Administration | | |
| 7.380% due 04/01/2041 | 2,402 | 2,423 |
| FFCA Secured Lending Corp. | | |
| 1.348% due 09/18/2027 (b)(g) | 6,048 | 164 |
| First Union National Bank-Bank of America | | |
| 6.000% due 01/15/2011 (g) | 1,000 | 997 |
| First Union-Lehman Brothers-Bank of America | | |
| 6.778% due 11/18/2035 (d) | 2,000 | 2,133 |
| GE Capital Commercial Mortgage Corp. | | |
| 5.274% due 07/10/2045 (g) | 1,000 | 885 |
| 5.308% due 05/10/2043 (d) | 1,000 | 920 |
| GMAC Commercial Mortgage Securities, Inc. | | |
| 6.500% due 05/15/2035 | 20 | 21 |
| 6.500% due 05/15/2035 (d) | 2,500 | 2,537 |
| 6.500% due 05/15/2035 (g) | 2,000 | 2,013 |
| 7.213% due 05/15/2030 (g) | 1,500 | 1,396 |
| 8.335% due 09/15/2035 (g) | 1,500 | 1,600 |
| Greenwich Capital Commercial Funding Corp. | | |
| 5.419% due 01/05/2036 (g) | 1,500 | 1,449 |
| GS Mortgage Securities Corp. II | | |
| 5.560% due 11/10/2039 (d) | 5,750 | 5,765 |
| 6.615% due 02/14/2016 (d)(g) | 3,500 | 3,706 |
| 6.848% due 03/06/2020 (g) | 2,000 | 1,918 |
| 7.644% due 08/05/2018 (g) | 3,480 | 3,566 |
| GSMPS Mortgage Loan Trust | | |
| 8.000% due 09/19/2027 (d)(g) | 1,319 | 1,407 |
| JPMorgan Chase Commercial Mortgage Securities Corp. | | |
| 0.807% due 03/12/2039 (b)(g) | 12,092 | 414 |
| 5.437% due 05/15/2041 (g) | 1,500 | 1,402 |
| 6.162% due 05/12/2034 (d) | 2,000 | 2,079 |
| 6.465% due 11/15/2035 (d) | 3,000 | 3,144 |
| LB Commercial Conduit Mortgage Trust | | |
| 6.000% due 10/15/2035 (d)(g) | 5,000 | 4,993 |
| LB-UBS Commercial Mortgage Trust | | |
| 5.683% due 07/15/2035 (g) | 1,500 | 1,412 |
| 6.950% due 03/15/2034 (d)(g) | 1,572 | 1,646 |
| 7.290% due 09/15/2034 (g) | 2,000 | 2,095 |
| Merrill Lynch First Franklin Mortgage Loan Trust | | |
| 6.156% due 08/12/2049 | 2,000 | 1,827 |
| Merrill Lynch Mortgage Investors, Inc. | | |
| 7.108% due 12/15/2030 | 1,500 | 1,584 |
| 7.283% due 02/15/2030 (d) | 2,000 | 2,039 |
| Morgan Stanley Capital I | | |
| 5.374% due 11/14/2042 (d) | 500 | 467 |
| 5.379% due 08/13/2042 (g) | 100 | 91 |

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| | | |
|---|--------|-------|
| 7.216% due 12/15/2031 (d) | 200 | 204 |
| 7.622% due 04/30/2039 (d)(g) | 1,974 | 1,981 |
| 7.695% due 10/03/2030 (g) | 2,000 | 1,995 |
| Nationslink Funding Corp. | | |
| 7.050% due 03/20/2030 (g) | 2,000 | 1,992 |
| 7.105% due 08/20/2030 (g) | 2,500 | 2,522 |
| Prudential Securities Secured Financing Corp. | | |
| 6.755% due 06/16/2031 (g) | 2,000 | 2,098 |
| Trizec Hahn Office Properties | | |
| 7.604% due 05/15/2016 (g) | 3,000 | 3,153 |
| Wachovia Bank Commercial Mortgage Trust | | |
| 0.190% due 10/15/2041 (b)(d)(g) | 47,487 | 971 |
| 4.982% due 02/15/2035 (g) | 1,020 | 911 |
| 5.188% due 02/15/2041 (g) | 2,500 | 2,263 |
| 5.518% due 01/15/2041 (g) | 1,500 | 1,380 |
| 6.290% due 04/15/2034 (g) | 2,000 | 1,976 |

127,361

Multi-Family 5.7%

| | | |
|---|-------|-------|
| Commercial Capital Access One, Inc. | | |
| 7.694% due 11/15/2028 (g) | 3,000 | 3,035 |
| Dickinson County, Iowa Revenue Notes, Series 2006 | | |
| 7.750% due 12/01/2012 | 345 | 342 |
| Fannie Mae | | |
| 5.237% due 06/01/2023 (d) | 1,432 | 1,371 |
| 7.875% due 11/01/2018 | 19 | 20 |
| 9.375% due 04/01/2016 (d) | 164 | 180 |
| Federal Housing Administration | | |
| 7.430% due 07/01/2018 | 231 | 233 |
| 8.360% due 01/01/2012 | 135 | 139 |
| Iowa State Finance Authority Revenue Notes, Series 2006 | | |
| 7.500% due 11/01/2007 | 40 | 40 |
| Multi-Family Capital Access One, Inc. | | |
| 8.949% due 01/15/2024 | 2,000 | 2,065 |

7,425

Total Commercial Mortgage-Backed Securities

(Cost \$149,430) 147,196

CORPORATE BONDS & NOTES 10.6%

Banking & Finance 1.9%

| | | |
|---------------------------|-------|-------|
| Bear Stearns Cos., Inc. | | |
| 6.950% due 08/10/2012 | 1,000 | 1,044 |
| Ford Motor Credit Co. | | |
| 8.000% due 12/15/2016 (d) | 500 | 468 |
| GMAC LLC | | |
| 6.000% due 09/15/2008 | 180 | 175 |
| Tenneco, Inc. | | |
| 8.625% due 11/15/2014 (d) | 750 | 759 |

2,446

Industrials 7.9%

| | | |
|----------------------------|-----|-----|
| Bon-Ton Stores, Inc. | | |
| 10.250% due 03/15/2014 (d) | 500 | 470 |
| CCCA LLC | | |

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| | | |
|------------------------------|-------|-------|
| 7.800% due 10/15/2008 (g) | 642 | 649 |
| CCO Holdings LLC | | |
| 8.750% due 11/15/2013 | 500 | 505 |
| CSC Holdings, Inc. | | |
| 7.875% due 02/15/2018 | 500 | 488 |
| Dynegy Holdings, Inc. | | |
| 7.125% due 05/15/2018 (d) | 500 | 459 |
| EchoStar DBS Corp. | | |
| 7.125% due 02/01/2016 (d) | 500 | 516 |
| HCA, Inc. | | |
| 6.750% due 07/15/2013 (d) | 1,250 | 1,128 |
| 9.250% due 11/15/2016 (d)(g) | 600 | 639 |
| Intelsat Bermuda Ltd. | | |
| 9.250% due 06/15/2016 (d) | 1,000 | 1,043 |
| Lyondell Chemical Co. | | |
| 8.250% due 09/15/2016 (d) | 500 | 566 |
| RH Donnelley Corp. | | |
| 8.875% due 01/15/2016 | 950 | 973 |
| SemGroup LP | | |
| 8.750% due 11/15/2015 (g) | 500 | 491 |
| Sungard Data Systems, Inc. | | |
| 9.125% due 08/15/2013 | 500 | 522 |
| United AirLines, Inc. | | |
| 6.636% due 07/02/2022 (g) | 1,000 | 1,000 |
| Verso Paper Holdings LLC | | |
| 9.125% due 08/01/2014 | 800 | 828 |

10,277

Utilities 0.8%

| | | |
|-----------------------|-----|-----|
| Cincinnati Bell, Inc. | | |
| 8.375% due 01/15/2014 | 500 | 501 |
| NRG Energy, Inc. | | |
| 7.250% due 02/01/2014 | 350 | 352 |
| 7.375% due 02/01/2016 | 150 | 151 |

1,004

Total Corporate Bonds & Notes

(Cost \$13,703) 13,727

REAL ESTATE ASSET-BACKED SECURITIES 20.1%

| | | |
|--|-------|-------|
| Access Financial Manufactured Housing Contract Trust | | |
| 7.650% due 05/15/2021 | 2,500 | 2,164 |
| Ameriquest Mortgage Securities, Inc. | | |
| 9.008% due 02/25/2033 | 450 | 217 |
| Asset-Backed Securities Corp. Home Equity | | |
| 7.881% due 06/21/2029 | 295 | 78 |
| Bear Stearns Second Lien Trust | | |
| 7.631% due 12/25/2036 (g) | 2,316 | 751 |
| CDC Mortgage Capital Trust | | |
| 9.399% due 03/25/2033 | 340 | 31 |
| Conseco Finance Securitizations Corp. | | |
| 7.960% due 02/01/2032 | 2,000 | 1,781 |
| 7.970% due 05/01/2032 | 859 | 713 |
| CS First Boston Mortgage Securities Corp. | | |
| 7.000% due 02/25/2033 (d) | 442 | 442 |
| Fannie Mae | | |
| 5.000% due 11/25/2035 (d) | 440 | 359 |

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| | | |
|---|-------|--------|
| 6.113% due 07/01/2012 (d) | 5,733 | 5,905 |
| 6.306% due 09/25/2023 | 45 | 46 |
| 7.000% due 10/01/2033 (d) | 641 | 660 |
| 8.000% due 07/01/2009 - 08/01/2015 (d) | 139 | 142 |
| 8.000% due 10/01/2010 - 07/25/2022 | 187 | 199 |
| 8.500% due 07/01/2008 - 03/01/2029 | 116 | 124 |
| 8.500% due 09/01/2022 - 04/01/2032 (d) | 593 | 637 |
| 9.000% due 03/25/2020 (d) | 284 | 315 |
| Freddie Mac | | |
| 5.000% due 02/15/2036 (d) | 352 | 282 |
| 7.000% due 12/01/2007- 06/01/2016 | 191 | 198 |
| 7.000% due 03/01/2031- 08/01/2032 (d) | 847 | 879 |
| 8.000% due 07/01/2010- 06/01/2015 | 20 | 21 |
| 8.500% due 11/15/2021 (d) | 533 | 574 |
| Green Tree Financial Corp. | | |
| 6.180% due 04/01/2030 | 135 | 131 |
| 6.220% due 03/01/2030 (d) | 537 | 547 |
| 6.530% due 02/01/2031 | 765 | 659 |
| 6.760% due 03/01/2030 | 413 | 429 |
| 6.810% due 12/01/2027 (d) | 455 | 450 |
| 7.050% due 01/15/2027 | 922 | 819 |
| 7.070% due 01/15/2029 | 127 | 131 |
| Greenpoint Manufactured Housing | | |
| 7.590% due 11/15/2028 | 89 | 92 |
| 8.300% due 10/15/2026 | 2,000 | 1,993 |
| Keystone Owner Trust | | |
| 9.000% due 01/25/2029 (g) | 430 | 382 |
| Merrill Lynch Mortgage Investors, Inc. | | |
| 5.095% due 08/25/2033 (g) | 799 | 716 |
| Oakwood Mortgage Investors, Inc. | | |
| 5.982% due 05/15/2013 | 124 | 113 |
| 6.890% due 11/15/2032 | 1,000 | 508 |
| Ocwen Residential Mortgage-Backed Securities Corp. | | |
| 6.838% due 06/25/2039 (g) | 578 | 465 |
| 7.000% due 10/25/2040 (g) | 1,250 | 928 |
| Saxon Asset Securities Trust | | |
| 8.640% due 12/25/2032 | 547 | 504 |
| Structured Asset Investment Loan Trust | | |
| 8.131% due 10/25/2033 | 68 | 2 |
| UCFC Manufactured Housing Contract | | |
| 7.900% due 01/15/2028 | 1,000 | 490 |
| Wilshire Mortgage Loan Trust | | |
| 8.990% due 05/25/2028 (g) | 297 | 264 |
| Total Real Estate Asset-Backed Securities | | |
| (Cost \$26,505) | | 26,141 |
| OTHER BONDS & NOTES 3.7% | | |
| Denver Arena Trust | | |
| 6.940% due 11/15/2019 (g) | 1,835 | 1,816 |
| First International Bank N.A. | | |
| 11.502% due 04/15/2026 (g) | 1,856 | 159 |
| Lexington, Virginia Industrial Development Authority Revenue Notes, Series 2007 | | |
| 8.000% due 01/01/2015 | 620 | 629 |
| Little Rock, Arkansas Municipal Property Owners Multipurpose Improvement District Special Tax Bonds, (GO OF DIST Insured), Series 2007 | | |
| 7.200% due 03/01/2032 | 1,000 | 983 |
| PPM America High Yield CBO Ltd. | | |
| 6.235% due 06/01/2011 | 219 | 167 |
| U.S. Airways Group, Inc. | | |

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| | | |
|---|-------|-------------------|
| 9.330% due 01/01/2049 (a) | 633 | 5 |
| West Virginia State Tobacco Settlement Financing Corporations Revenue Bonds, Series 2007 | | |
| 7.467% due 06/01/2047 | 1,000 | 985 |
| | | <hr/> |
| Total Other Bonds & Notes | | |
| (Cost \$6,328) | | 4,744 |
| | | <hr/> |
| SHORT-TERM INSTRUMENTS 8.0% | | |
| Commercial Paper 3.9% | | |
| Freddie Mac | | |
| 4.000% due 10/01/2007 | 5,000 | 5,000 |
| | | <hr/> |
| Repurchase Agreements 0.7% | | |
| State Street Bank and Trust Co. | | |
| 4.400% due 10/01/2007 | 917 | 917 |
| | | <hr/> |
| (Dated 09/28/2007. Collateralized by U.S. Treasury Bonds 7.125% due 02/15/2023 valued at \$937. Repurchase proceeds are \$917.) | | |
| U.S. Treasury Bills 3.4% | | |
| 3.826% due 11/29/2007 - 12/13/2007 (c)(e)(h) | 4,500 | 4,460 |
| | | <hr/> |
| Total Short-Term Instruments | | |
| (Cost \$10,385) | | 10,377 |
| | | <hr/> |
| Purchased Options (j) 0.1% | | |
| (Cost \$104) | | 74 |
| Total Investments (f) 155.9% | | |
| (Cost \$206,455) | | \$ 202,259 |
| Other Assets and Liabilities (Net) (55.9%) | | (72,491) |
| | | <hr/> |
| Net Assets 100.0% | | \$ 129,768 |
| | | <hr/> |

See Accompanying Notes

Notes to Schedule of Investments (amounts in thousands*, except number of contracts):

(a) Security is in default.

(b) Interest only security.

(c) Coupon represents a weighted average rate.

(d) The average amount of borrowing outstanding during the period ended September 30, 2007 was \$69,337 at a weighted average rate of 5.38%. On September 30, 2007, securities valued at \$79,238 were pledged as collateral for reverse repurchase agreements.

(e) Securities with an aggregate market value of \$1,490 have been pledged as collateral for swap and swaption contracts on September 30, 2007.

(f) As of September 30, 2007, portfolio securities with an aggregate value of \$4,606 were valued in good faith and pursuant to the guidelines established by the Board of Directors.

(g) Securities purchased under Rule 144A of the 1933 Securities Act and, unless registered under the Act or exempt from registration, may only be sold to qualified institutional investors.

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(h) Securities with an aggregate market value of \$5 have been segregated with the custodian to cover margin requirements for the following open futures contracts on September 30, 2007:

| Description | Type | Expiration Month | # of Contracts | Unrealized (Depreciation) |
|---|-------|---------------------|-------------------|------------------------------|
| U.S. Treasury 10-Year Note December Futures | Short | 12/2007 | 4 | \$ (1) |

(i) Swap agreements outstanding on September 30, 2007:

Credit Default Swaps

| Counterparty | Reference Entity | Buy/Sell Protection ⁽¹⁾ | Receive Fixed Rate | Expiration Date | Notional Amount | Unrealized (Depreciation) |
|-----------------------|-------------------------|---------------------------------------|-----------------------|--------------------|--------------------|------------------------------|
| Lehman Brothers, Inc. | Windstream Corp. 8.125% | | | | | |
| | due 08/01/2013 | Sell | 1.050% | 06/20/2012 | \$ 2,000 | \$ (17) |

⁽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 pay to the buyer of the protection an amount up to the notional value of the swap and in certain instances, take delivery of the security.

Interest Rate Swaps

| Counterparty | Floating Rate Index | Pay/Receive | Expiration Date | Notional Amount | Unrealized Appreciation/ (Depreciation) |
|----------------------------------|---------------------|-------------|--------------------|--------------------|---|
| Barclays Bank PLC | 3-Month USD-LIBOR | Receive | 06/19/2025 | \$ 242,800 | \$ (12,098) |
| Barclays Bank PLC | 3-Month USD-LIBOR | Pay | 06/21/2025 | 40,000 | 1,406 |
| Barclays Bank PLC | 3-Month USD-LIBOR | Pay | 06/21/2026 | 28,000 | 576 |
| Barclays Bank PLC | 3-Month USD-LIBOR | Pay | 06/21/2026 | 165,000 | 4,285 |
| Barclays Bank PLC | 3-Month USD-LIBOR | Receive | 12/20/2026 | 1,300 | (37) |
| Royal Bank of Scotland Group PLC | 3-Month USD-LIBOR | Receive | 02/25/2017 | 62,900 | (87) |
| Royal Bank of Scotland Group PLC | 3-Month USD-LIBOR | Pay | 02/25/2017 | 62,900 | (59) |
| Royal Bank of Scotland Group PLC | 3-Month USD-LIBOR | Receive | 12/19/2037 | 5,400 | (355) |
| UBS Warburg LLC | 3-Month USD-LIBOR | Receive | 12/20/2026 | 4,200 | (170) |
| | | | | | \$ (6,539) |

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(j) Purchased options outstanding on September 30, 2007:

Interest Rate Swaptions

| Description | Counterparty | Floating Rate Index | Pay/Receive Floating Rate | Exercise Rate | Expiration Date | Notional Amount | Cost | Value |
|---|-------------------------------------|---------------------|------------------------------|------------------|--------------------|--------------------|---------------|--------------|
| Call - OTC 9-Year Interest Rate Swap | Royal Bank of Scotland Group PLC | 3-Month USD-LIBOR | Pay | 4.660% | 02/21/2008 | \$ 9,400 | \$ 62 | \$ 45 |
| Put - OTC 9-Year Interest Rate Swap | Royal Bank of Scotland Group PLC | 3-Month USD-LIBOR | Receive | 5.840% | 02/21/2008 | 9,400 | 42 | 29 |
| | | | | | | | <u>\$ 104</u> | <u>\$ 74</u> |

(k) As of September 30, 2007, the aggregate cost of investments was the same for federal income tax and financial statement purposes. The net unrealized appreciation (depreciation) of investment securities for federal income tax purposes were as follows (amounts in thousands):

| | <u>Unrealized Appreciation</u> | <u>Unrealized (Depreciation)</u> | <u>Net Unrealized (Depreciation)</u> |
|--|------------------------------------|--------------------------------------|--|
| | \$ 4,281 | \$ (8,477) | \$ (4,196) |

Item 2. Controls and Procedures

- (a) The principal executive officer and principal financial officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act")) provide reasonable assurances that material information relating to the registrant is made known to them by the appropriate persons, based on their evaluation of these controls and procedures as of a date within 90 days of the filing of this report.

- (b) There has been no change in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) 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 separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2 under the Act 1940 is attached as Exhibit 99.CERT.

Signatures

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

PCM Fund, Inc.

By: /s/ ERNEST L. SCHMIDER
Ernest L. Schmider
President, Principal Executive Officer

Date: November 29, 2007

Pursuant to the requirements of the Securities Exchange Act of 1934 and the 1940 Act, 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/ ERNEST L. SCHMIDER
Ernest L. Schmider
President, Principal Executive Officer

Date: November 29, 2007

By: /s/ JOHN P. HARDAWAY
John P. Hardaway
Treasurer, Principal Financial Officer

Date: November 29, 2007