

PCM FUND, INC.
Form N-Q
May 18, 2010

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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, 2010

Date of reporting period: March 31, 2010

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, 100 F Street, NE, Washington, DC 20549-2001. 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

March 31, 2010 (unaudited)

| Principal Amount (000s) | | Credit Rating (Moody s/S&P) | Value* |
|------------------------------------------|------------------------------------------------------------------------|--------------------------------|-----------|
| MORTGAGE-BACKED SECURITIES 125.4% | | | |
| \$721 | American Home Mortgage Assets, 1.383%, 11/25/46, CMO, FRN | Caa1/CCC | \$338,040 |
| 420 | Banc of America Alternative Loan Trust, 6.25%, 1/25/37, CMO | Ca/NR | 215,456 |
| | Banc of America Commercial Mortgage, Inc., CMO (i), | | |
| 2,000 | 5.414%, 9/10/47 | Aaa/AAA | 2,004,429 |
| 2,500 | 7.224%, 4/15/36, VRN | A1/NR | 2,417,710 |
| 1,694 | 7.975%, 11/15/31, VRN | Aaa/AA+ | 1,639,970 |
| | Banc of America Funding Corp., CMO, | | |
| 468 | 5.798%, 3/20/36, FRN | B3/BB | 352,406 |
| 1,243 | 7.00%, 10/25/37 | NR/CCC | 845,791 |
| 2,000 | Banc of America Large Loan, Inc., 0.98%, 8/15/29, CMO, FRN (a)(c) | Aaa/AA | 1,591,515 |
| 936 | Banc of America Mortgage Securities, Inc., 5.180%, 6/25/35, CMO, FRN | Ba3/NR | 765,310 |
| 1,000 | BCRR Trust, 5.858%, 7/17/40, CMO, VRN (a)(c) | Aaa/NR | 816,373 |
| 640 | Bear Stearns Adjustable Rate Mortgage Trust, | | |
| | 4.785%, 5/25/34, CMO, FRN (i) | A2/A+ | 587,890 |
| | Bear Stearns Alt-A Trust, CMO, | | |
| 470 | 3.618%, 9/25/34, VRN | A2/AAA | 310,756 |
| 335 | 5.460%, 7/25/35, FRN | Ba1/CCC | 231,328 |
| 2,000 | 5.648%, 8/25/36, VRN | Caa3/CC | 783,357 |
| 356 | 5.754%, 5/25/36, VRN | Caa2/CC | 195,164 |
| 893 | 6.25%, 8/25/36, VRN | Caa2/CCC | 423,064 |
| 323 | Bear Stearns Asset Backed Securities Trust, 5.50%, 12/25/35, CMO | Caa1/CCC | 248,680 |
| | Bear Stearns Commercial Mortgage Securities, CMO, | | |
| 1 | 5.06%, 11/15/16 | Aaa/AAA | 972 |
| 3,000 | 5.694%, 6/11/50, VRN (i) | NR/A+ | 2,973,286 |
| 2,000 | 5.719%, 6/11/40, VRN | Aaa/NR | 1,977,063 |
| 1,000 | 5.812%, 5/11/39, VRN (a)(c) | NR/BBB+ | 727,830 |
| 1,332 | 6.50%, 2/15/32 (c) | NR/BB | 1,020,049 |
| 1,737 | CBA Commercial Small Balance Commercial Mortgage, | | |
| | 5.54%, 1/25/39, CMO (a)(c)(f) | Ca/BBB- | 967,906 |
| 2,500 | Citigroup Commercial Mortgage Trust, 5.699%, 12/10/49, CMO, VRN (i) | Aaa/AA | 2,493,046 |
| | Citigroup Mortgage Loan Trust, Inc., CMO, VRN, | | |
| 1,022 | 5.199%, 9/25/35 | NR/CCC | 791,128 |
| 969 | 5.676%, 11/25/36 | NR/CCC | 722,661 |
| 4,012 | Citigroup/Deutsche Bank Commercial Mortgage Trust, | | |
| | 5.322%, 12/11/49, CMO (i) | Aaa/A- | 3,889,275 |
| 3,000 | Commercial Capital Access One, Inc., 7.950%, 11/15/28, CMO, VRN (a)(c) | NR/NR | 1,063,506 |
| | Commercial Mortgage Pass Through Certificates, CMO (a)(c), | | |
| 1,500 | 6.586%, 7/16/34 (i) | Aaa/AAA | 1,606,489 |
| 1,500 | 6.812%, 7/16/34, VRN | Aa2/A+ | 1,397,767 |
| 2,893 | 6.83%, 2/14/34, VRN (i) | Aaa/NR | 2,980,057 |
| | Countrywide Alternative Loan Trust, CMO, | | |
| 584 | 0.526%, 2/25/37, FRN | Caa2/CCC | 322,153 |
| 395 | 6.00%, 11/25/35 | Caa2/CCC | 301,755 |
| | Credit Suisse First Boston Mortgage Securities Corp., CMO, | | |
| 22,545 | 1.42%, 12/15/35, IO, VRN (a)(c)(i) | NR/AAA | 691,392 |
| 3,000 | 6.574%, 12/15/35 (i) | Aaa/AAA | 3,155,572 |
| 200 | 7.00%, 2/25/33 | Aaa/AAA | 205,645 |
| 2,000 | 7.46%, 1/17/35, VRN (c) | NR/NR | 2,179,153 |
| | Credit Suisse Mortgage Capital Certificates, CMO, | | |

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| | | | |
|-------|-----------------------------|----------|-----------|
| 1,100 | 0.40%, 10/15/21, FRN (a)(c) | Aa1/AAA | 916,538 |
| 5,000 | 5.467%, 9/15/39 (i) | Aaa/AAA | 4,811,169 |
| 461 | 5.896%, 4/25/36 | Caa1/CCC | 319,978 |
| 370 | 6.50%, 5/25/36 | Caa2/CC | 134,842 |

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PCM Fund, Inc. Schedule of Investments

March 31, 2010 (unaudited)

| Principal Amount (000s) | | Credit Rating (Moody's/S&P) | Value* |
|-------------------------|--------------------------------------------------------------------------------------|-----------------------------|-------------|
| \$1,925 | CW Capital Cobalt Ltd., 5.223%, 8/15/48, CMO | NR/AA- | \$1,840,569 |
| 4,185 | FFCA Secured Lending Corp., 1.22%, 9/18/27, CMO, IO, VRN (a)(c) | Aaa/NR | 89,035 |
| 398 | First Horizon Alternative Mortgage Securities, 5.369%, 8/25/35, CMO, FRN | B1/CCC | 108,142 |
| 384 | First Horizon Asset Securities, Inc., 2.899%, 4/25/35, CMO, FRN | Baa2/AAA | 351,463 |
| 2,000 | First Union-Lehman Brothers-Bank of America, 6.778%, 11/18/35, CMO (i) | Aaa/AAA | 2,145,213 |
| 2,000 | GMAC Commercial Mortgage Securities, Inc., CMO (c), 6.50%, 5/15/35 (i) | NR/BBB | 2,090,586 |
| 1,500 | 6.944%, 5/15/30, VRN (a) | NR/NR | 837,882 |
| 1,500 | 8.052%, 9/15/35, VRN (a) | NR/NR | 1,446,173 |
| 1,500 | Greenwich Capital Commercial Funding Corp., CMO, 5.419%, 1/5/36, VRN (a)(c) | A2/A+ | 1,304,137 |
| 2,000 | 5.444%, 3/10/39 | Aaa/A | 1,947,857 |
| 2,000 | GS Mortgage Securities Corp. II, CMO, 1.278%, 3/6/20, FRN (a)(c) | NR/BB | 1,631,327 |
| 5,750 | 5.56%, 11/10/39 (i) | Aaa/NR | 5,700,627 |
| 3,480 | 7.397%, 8/5/18, VRN (a)(c) | Baa2/NR | 2,659,301 |
| 3,000 | JPMorgan Chase Commercial Mortgage Securities Corp., CMO, 0.68%, 7/15/19, FRN (a)(c) | Aa2/NR | 2,278,450 |
| 9,427 | 1.00%, 3/12/39, IO, VRN (a)(c)(i) | Aaa/NR | 304,791 |
| 2,000 | 5.65%, 3/18/51, VRN (a)(c) | Aa3/NR | 1,556,250 |
| 1,400 | 5.746%, 2/12/49, VRN | Aaa/A+ | 1,393,364 |
| 1,195 | 5.794%, 2/12/51, VRN (i) | Aaa/A+ | 1,193,902 |
| 1,150 | 5.990%, 2/15/51, VRN (i) | Aaa/A- | 1,164,083 |
| 2,000 | 6.162%, 5/12/34 (i) | Aaa/NR | 2,128,185 |
| 680 | JPMorgan Mortgage Trust, CMO, 4.071%, 7/25/35, FRN | B1/AAA | 607,494 |
| 518 | 5.119%, 10/25/35, VRN | Ba3/NR | 480,766 |
| 950 | LB Commercial Conduit Mortgage Trust, 5.949%, 7/15/44, CMO, VRN | Aaa/A | 919,060 |
| 1,278 | LB-UBS Commercial Mortgage Trust, CMO, 5.347%, 11/15/38 (i) | NR/AAA | 1,284,287 |
| 1,500 | 5.683%, 7/15/35 (a)(c) | Ba1/BBB- | 693,269 |
| 1,572 | 6.95%, 3/15/34, VRN (a)(c) | A1/A | 1,375,530 |
| 2,000 | 7.29%, 9/15/34 (a)(c) | B1/NR | 1,906,007 |
| 1,799 | Luminent Mortgage Trust, 0.416%, 12/25/36, CMO, FRN | B2/B+ | 954,267 |
| 1,500 | Merrill Lynch/Countrywide Commercial Mortgage Trust, CMO, 5.485%, 3/12/51, VRN (i) | Aaa/NR | 1,377,815 |
| 2,300 | 5.70%, 9/12/49 | NR/A+ | 2,172,178 |
| 1,500 | Merrill Lynch Mortgage Investors, Inc., 6.414%, 12/15/30, CMO, VRN | A3/AA+ | 1,606,576 |
| 614 | MLCC Mortgage Investors, Inc., CMO, FRN, 0.456%, 7/25/30 | Aa2/AAA | 437,798 |
| 204 | 0.496%, 11/25/35 | A1/BBB | 172,513 |
| 714 | 0.496%, 11/25/35 | A3/BBB | 611,765 |
| 535 | 0.576%, 11/25/29 | Aaa/AAA | 436,550 |
| 2,000 | Morgan Stanley Capital I, CMO, 5.447%, 2/12/44, VRN | Aaa/A | 1,911,232 |
| 315 | 5.692%, 4/15/49, VRN | Aaa/A- | 289,458 |
| 558 | 5.809%, 12/12/49 | NR/A+ | 549,149 |
| 783 | Morgan Stanley Mortgage Loan Trust, CMO, 3.440%, 1/25/35, VRN | NR/CCC | 101,641 |
| 1,000 | 6.00%, 8/25/37 | NR/CCC | 783,637 |

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| | | | |
|-------|-------------------------------------------------------------|---------|-----------|
| 1,897 | Nationslink Funding Corp., 7.105%, 1/20/13, CMO, VRN (a)(c) | NR/BBB+ | 2,009,162 |
| | Ocwen Residential MBS Corp., CMO, VRN (a)(c), | | |
| 259 | 6.835%, 6/25/39 (e) | NR/NR | 8,847 |
| 2,298 | 7.00%, 10/25/40 (f) | B3/NR | 259,512 |

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March 31, 2010 (unaudited)

| Principal Amount (000s) | | Credit Rating (Moody s/S&P) | Value* |
|-------------------------|--------------------------------------------------------------------|-----------------------------|--------------------|
| | RBSCF Trust, CMO, VRN (a)(c)(f), | | |
| \$1,000 | 5.223%, 8/26/47 | NR/NR | \$870,000 |
| 1,000 | 5.331%, 2/26/44 | NR/NR | 850,000 |
| 1,000 | 5.336%, 5/16/47 | NR/NR | 870,000 |
| 2,744 | 6.068%, 2/17/51 | NR/NR | 1,900,220 |
| | Residential Accredited Loans, Inc., CMO, | | |
| 778 | 6.00%, 8/25/35 | NR/CCC | 578,648 |
| 812 | 6.50%, 9/25/37 | NR/CC | 474,636 |
| 683 | Residential Asset Securitization Trust, 6.00%, 3/25/37, CMO | NR/CC | 466,836 |
| | RMF Commercial Mortgage Pass Through Certificates, CMO (a)(c), | | |
| 247 | 7.471%, 1/15/19 | NR/NR | 172,963 |
| 265 | 9.35%, 1/15/19, VRN | NR/NR | 75,583 |
| 328 | Sequoia Mortgage Trust, 0.440%, 7/20/36, CMO, FRN | Ba3/BBB+ | 267,488 |
| | Structured Adjustable Rate Mortgage Loan Trust, CMO, VRN, | | |
| 1,543 | 5.882%, 11/25/36 | NR/CC | 1,178,452 |
| 1,785 | 5.976%, 4/25/36 | NR/CC | 1,176,400 |
| 466 | Structured Asset Securities Corp., 5.00%, 5/25/35, CMO | Baa3/AAA | 410,778 |
| 425 | TBW Mortgage Backed Pass Through Certificates, 6.00%, 7/25/36, CMO | NR/D | 256,520 |
| 3,000 | TrizecHahn Office Properties, 7.604%, 5/15/16, CMO (a)(c) | Baa1/A | 3,064,485 |
| 1,000 | UBS Commercial Mortgage Trust, 0.814%, 7/15/24 (a)(c) | Aa1/BB+ | 622,968 |
| | Wachovia Bank Commercial Mortgage Trust, CMO, | | |
| 3,000 | 0.350%, 9/15/21, FRN (a)(c) | A1/A+ | 2,246,367 |
| 42,284 | 1.00%, 10/15/41, IO, VRN (a)(c)(i) | Aaa/AAA | 827,289 |
| 2,500 | 5.188%, 2/15/41, VRN (a)(c) | Baa2/BBB | 1,905,162 |
| 1,000 | 5.509%, 4/15/47 | Aaa/BBB+ | 906,369 |
| 5,044 | 5.605%, 2/15/35, VRN (a)(b)(c)(j) | | |
| | (acquisition cost-\$4,627,870; purchased 3/31/10) | NR/AA- | 4,627,870 |
| 1,825 | 5.902%, 2/15/51, VRN | Aaa/BBB | 1,649,248 |
| | Total Mortgage-Backed Securities (cost \$131,219,175) | | 127,934,603 |

CORPORATE BONDS & NOTES 37.9%**Airlines 8.0%**

| | | | |
|-------|------------------------------------------------------------|-----------|-----------|
| 4,706 | American Airlines Pass Through Trust, 6.817%, 11/23/12 (i) | B2/BB- | 4,729,530 |
| 518 | Northwest Airlines, Inc., 1.001%, 5/20/14, FRN (MBIA) (i) | Baa2/BBB- | 445,121 |
| | United Air Lines Pass Through Trust (i), | | |
| 890 | 6.636%, 1/2/24 | Ba1/BB+ | 822,809 |
| 1,000 | 9.75%, 1/15/17 | Ba1/BBB | 1,052,500 |
| 1,000 | 10.40%, 5/1/18 | Ba1/BBB | 1,075,000 |
| | | | 8,124,960 |

Automotive 0.7%

| | | | |
|-----|-------------------------------------|-----------|---------|
| 750 | Tenneco, Inc., 8.625%, 11/15/14 (i) | Caa2/CCC+ | 765,000 |
|-----|-------------------------------------|-----------|---------|

Banking 3.0%

| | | | |
|-------|-----------------------------------------------------|-----------|-----------|
| 1,000 | American Express Bank FSB, 0.380%, 5/29/12, FRN (i) | A2/BBB+ | 986,395 |
| 2,000 | Regions Financial Corp., 7.75%, 11/10/14 (i) | Baa3/BBB- | 2,106,308 |
| | | | 3,092,703 |

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Electric 0.2%

| | | | |
|-----|----------------------------------------|------|---------|
| 250 | Dynegy Holdings, Inc., 7.125%, 5/15/18 | B3/B | 178,750 |
|-----|----------------------------------------|------|---------|

Energy 1.0%

| | | | |
|-----|-------------------------------------------------------------------------------------------------------|-------|---------|
| 950 | Consol Energy, Inc., 8.00%, 4/1/17 (a)(b)(c)(d)(j) (acquisition cost-\$950,000; purchased 3/25/10) | B1/BB | 980,875 |
|-----|-------------------------------------------------------------------------------------------------------|-------|---------|

PCM Fund, Inc. Schedule of Investments

March 31, 2010 (unaudited)

| Principal Amount (000s) | | Credit Rating (Moody S&P) | Value* |
|-------------------------------------|-----------------------------------------------------------------------------------------------------|---------------------------|------------|
| Financial Services 14.6% | | | |
| \$900 | American General Finance Corp., 0.507%, 12/15/11, FRN (i) | B2/B | \$841,964 |
| 1,000 | Cantor Fitzgerald L.P., 7.875%, 10/15/19 (a)(c)(i) | Baa3/BBB | 1,003,808 |
| | CIT Group, Inc., | | |
| 183 | 7.00%, 5/1/13 | NR/NR | 179,738 |
| 275 | 7.00%, 5/1/14 | NR/NR | 260,666 |
| 275 | 7.00%, 5/1/15 | NR/NR | 257,227 |
| 459 | 7.00%, 5/1/16 | NR/NR | 424,126 |
| 642 | 7.00%, 5/1/17 | NR/NR | 593,779 |
| | Ford Motor Credit Co. LLC (i), | | |
| 2,000 | 7.25%, 10/25/11 | B1/B- | 2,068,538 |
| 500 | 8.00%, 12/15/16 | B1/B- | 527,220 |
| 2,000 | 9.875%, 8/10/11 | B1/B- | 2,121,836 |
| 500 | General Electric Capital Corp., 0.376%, 6/12/12, FRN | Aa2/AA+ | 486,278 |
| 2,000 | GMAC, Inc., 8.30%, 2/12/15 (a)(c)(i) | B3/B | 2,105,000 |
| 1,000 | Merrill Lynch & Co., Inc., 0.711%, 1/15/15, FRN (i) | A2/A | 932,510 |
| 1,200 | Morgan Stanley, 0.731%, 10/15/15, FRN (i) | A2/A | 1,113,083 |
| | SLM Corp. (i), | | |
| 1,000 | 0.479%, 10/25/11, FRN | Ba1/BBB- | 951,310 |
| 1,000 | 8.45%, 6/15/18 | Ba1/BBB- | 1,012,841 |
| | | | 14,879,924 |
| Hotels/Gaming 1.1% | | | |
| 1,100 | MGM Mirage, 9.00%, 3/15/20 (a)(b)(c)(j) (acquisition cost-\$1,102,625; purchased 3/9/10-3/10/10) | B1/B | 1,138,500 |
| Insurance 5.6% | | | |
| | American International Group, Inc. (i), | | |
| 2,000 | 4.25%, 5/15/13 | A3/A- | 1,964,576 |
| 500 | 5.45%, 5/18/17 | A3/A- | 460,403 |
| 3,500 | 5.85%, 1/16/18 | A3/A- | 3,256,631 |
| | | | 5,681,610 |
| Paper/Paper Products 0.9% | | | |
| 1,000 | Weyerhaeuser Co., 7.375%, 3/15/32 (i) | Ba1/BBB- | 966,319 |
| Retail 2.8% | | | |
| | CVS Pass Through Trust (i), | | |
| 1,792 | 5.88%, 1/10/28 | Baa2/NR | 1,753,738 |
| 998 | 7.507%, 1/10/32 (a)(c) | Baa2/BBB+ | 1,112,828 |
| | | | 2,866,566 |
| | Total Corporate Bonds & Notes (cost \$35,162,687) | | 38,675,207 |
| ASSET-BACKED SECURITIES 5.4% | | | |
| 268 | Ameriquest Mortgage Securities, Inc., 5.854%, 2/25/33, FRN (e) | Ca/D | 23,191 |

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| | | | |
|-------|------------------------------------------------------------------|---------|-----------|
| 158 | Asset Backed Securities Corp. Home Equity, 2.990%, 6/21/29, FRN | Caa1/NR | 20,551 |
| 1,073 | Bear Stearns Asset Backed Securities Trust, 4.323%, 7/25/36, VRN | NR/CCC | 686,447 |
| 96 | CDC Mortgage Capital Trust, 5.346%, 3/25/33, FRN | C/D | 1,034 |
| 1,214 | Denver Arena Trust, 6.94%, 11/15/19 (a)(c) | NR/NR | 1,095,536 |
| 138 | EMC Mortgage Loan Trust, 0.896%, 2/25/41, FRN (a)(c) | NR/NR | 116,064 |
| 278 | GSAA Trust, 0.516%, 6/25/35, FRN | Aa3/AA+ | 167,817 |
| 73 | Keystone Owner Trust, 9.00%, 1/25/29 (a)(c) | Baa3/NR | 70,647 |
| 950 | Lehman XS Trust, 5.42%, 11/25/35 | Ba1/AAA | 673,395 |

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March 31, 2010 (unaudited)

| Principal Amount (000s) | | Credit Rating (Moody s/S&P) | Value* |
|-------------------------|------------------------------------------------------------------------|-----------------------------|------------------|
| \$2,455 | Merrill Lynch First Franklin Mortgage Loan Trust, 0.486%, 5/25/37, FRN | Ca/CCC | \$1,034,228 |
| 1,000 | Oakwood Mortgage Investors, Inc., 6.89%, 11/15/32, VRN | C/CCC- | 326,259 |
| 131 | PPM America High Yield CBO Ltd., 1.334%, 6/1/11 (b)(f) | NR/NR | 58,297 |
| 102 | Southern Pacific Secured Asset Corp., 0.586%, 7/25/29, FRN | B3/BB+ | 48,778 |
| 68 | Structured Asset Investment Loan Trust, 4.746%, 10/25/33, FRN | Caa2/CC | 4,671 |
| 1,000 | UCFC Manufactured Housing Contract, 7.90%, 1/15/28, VRN | Ca/NR | 1,089,375 |
| 1,856 | UPS Capital Business Credit, 5.98%, 4/15/26, FRN (c) | C/NR | 75,404 |
| | Total Asset-Backed Securities (cost \$7,339,614) | | 5,491,694 |

MUNICIPAL BONDS & NOTES 2.2%**Arkansas 0.6%**

| | | | |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------|-------|---------|
| 865 | Little Rock Municipal Property Owners Multipurpose Improvement Dist. No. 10, Special Tax, Capital Improvement Projects, 7.20%, 3/1/32, Ser. B | NR/NR | 623,094 |
|-----|-----------------------------------------------------------------------------------------------------------------------------------------------|-------|---------|

Iowa 0.4%

| | | | |
|-----|-----------------------------------------------------------|-------|---------|
| 345 | Dickinson Cnty. Rev., Spirit Lake, 7.75%, 12/1/12, Ser. B | NR/NR | 365,976 |
|-----|-----------------------------------------------------------|-------|---------|

Virginia 0.5%

| | | | |
|-----|-------------------------------------------------------------|-------|---------|
| 565 | Lexington Industrial Dev. Auth. Rev., 8.00%, 1/1/15, Ser. C | NR/NR | 532,134 |
|-----|-------------------------------------------------------------|-------|---------|

West Virginia 0.7%

| | | | |
|-----|---------------------------------------------------------------|----------|---------|
| 960 | Tobacco Settlement Finance Auth. Rev., 7.467%, 6/1/47, Ser. A | Baa3/BBB | 763,296 |
|-----|---------------------------------------------------------------|----------|---------|

Total Municipal Bonds & Notes (cost \$2,667,735) 2,284,500

Shares**COMMON STOCK (h) 0.7%****Diversified Financial Services 0.6%**

| | | | |
|--------|-----------------|--|---------|
| 15,786 | CIT Group, Inc. | | 615,022 |
|--------|-----------------|--|---------|

Energy 0.1%

| | | | |
|-------|-------------------------|--|--------|
| 1,294 | SemGroup Corp., Class A | | 37,519 |
|-------|-------------------------|--|--------|

Total Common Stock (cost \$304,123) 652,541

Principal Amount (000s)**U.S. GOVERNMENT AGENCY SECURITIES 0.0%**

| | | | |
|------|-------------------------------------------------------------------|---------|--------|
| \$32 | Federal Housing Administration, 8.36%, 1/1/12 (f) (cost \$31,758) | Aaa/AAA | 31,700 |
|------|-------------------------------------------------------------------|---------|--------|

Shares**WARRANTS (h) 0.0%****Energy 0.0%**

| | | | |
|-------|-------------------------------------------------|--|--------|
| 1,362 | SemGroup Corp., expires 11/14/30 (cost \$6,128) | | 11,235 |
|-------|-------------------------------------------------|--|--------|

SHORT-TERM INVESTMENTS 11.6%

Principal

**Amount
(000s)**

Corporate Notes 7.2%

Financial Services 6.6%

| | | | |
|---------|----------------------------------------------------|------|-----------|
| \$1,300 | American General Finance Corp., 4.625%, 9/1/10 (i) | B2/B | 1,298,167 |
|---------|----------------------------------------------------|------|-----------|

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March 31, 2010 (unaudited)

| Principal Amount (000s) | | Credit Rating (Moody s/S&P) | Value* |
|-----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|----------------------|
| Financial Services (continued) | | | |
| | International Lease Finance Corp., | | |
| \$100 | 0.472%, 5/24/10, FRN | B1/BB+ | \$100,007 |
| 2,100 | 4.875%, 9/1/10 (i) | B1/BB+ | 2,100,191 |
| 2,200 | 4.95%, 2/1/11 (i) | B1/BB+ | 2,202,088 |
| 1,000 | 5.625%, 9/15/10 (i) | B1/BB+ | 1,007,165 |
| | | | 6,707,618 |
| Insurance 0.6% | | | |
| 600 | American International Group, Inc., 4.70%, 10/1/10 (i) | A3/A- | 605,931 |
| | Total Corporate Notes (cost \$6,872,084) | | 7,313,549 |
| Mortgage-Backed Securities 0.7% | | | |
| 1,000 | First Union-National Bank-Bank of America Commercial Mortgage Trust, 6.00%, 1/15/11, CMO (a)(c) (cost \$1,000,981) | Ba3/NR | 690,937 |
| U.S. Government Agency Securities 0.0% | | | |
| 4 | Freddie Mac, 0.109%, 2/1/11, FRN (g) (cost \$3,999) | Aaa/AAA | 3,998 |
| Repurchase Agreements 3.7% | | | |
| 3,200 | Barclays Capital, Inc., dated 3/31/10, 0.01%, due 4/1/10, proceeds \$3,200,001; collateralized by U.S. Treasury Bills, zero coupon, due 5/20/10, valued at \$3,264,357 | | 3,200,000 |
| 591 | State Street Bank & Trust Co., dated 3/31/10, 0.01%, due 4/1/10, proceeds \$591,000; collateralized by Federal Home Loan Bank, 4.375%, due 9/17/10, valued at \$607,198 including accrued interest | | 591,000 |
| | Total Repurchase Agreements (cost \$3,791,000) | | 3,791,000 |
| | Total Short-Term Investments (cost \$11,668,064) | | 11,799,484 |
| | Total Investments (cost \$188,399,284) 183.2% | | 186,880,964 |
| | Liabilities in excess of other assets (83.2%) | | (84,878,714) |
| | Net Assets 100% | | \$102,002,250 |

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 for those securities for which the over-the-counter market is the primary market or for listed securities in which there were no sales. 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. Securities purchased on a when-issued basis are marked to market daily until settlement at the forward settlement date. 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 NAV 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 \$57,466,148, representing 56.3% of net assets.
- (b) Illiquid.
- (c) 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.
- (d) When-issued. To be settled after March 31, 2010.
- (e) In default.
- (f) Fair-Valued Securities with an aggregate value of \$5,807,635, representing 5.7% of net assets.
- (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.
- (j)

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Restricted. The aggregate acquisition cost of such securities is \$6,680,495. The aggregate market value of \$6,747,245 is approximately 6.6% of net assets.

Glossary:

| | |
|------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CMO | Collateralized Mortgage Obligation |
| FRN | Floating Rate Note. The interest rate disclosed reflects the rate in effect on March 31, 2010. |
| IO | Interest Only |
| MBIA | insured by Municipal Bond Investors Assurance |
| NR | Not Rated |
| VRN | Variable Rate Note. Instruments whose interest rates change on 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, 2010. |

Other Investments:

(A) Credit default swap agreements:

Sell protection swap agreements outstanding at March 31, 2010⁽¹⁾:

| Swap Counterparty/Referenced Debt Issuer | Notional Amount Payable on Default (000s) ⁽³⁾ | Credit Spread ⁽²⁾ | Termination Date | Payments Received | Market Value ⁽⁴⁾ | Upfront Premiums Received | Unrealized Appreciation |
|------------------------------------------|-------------------------------------------------------------------|---------------------------------|---------------------|----------------------|--------------------------------|---------------------------------|----------------------------|
| Citigroup: | | | | | | | |
| SLM | \$ 1,000 | 3.31% | 12/20/13 | 5.00% | \$ 58,254 | \$ (157,500) | \$ 215,754 |
| Deutsche Bank: | | | | | | | |
| American International Group | 2,000 | 2.01% | 3/20/13 | 2.10% | 6,367 | | 6,367 |
| SLM | 1,000 | 3.31% | 12/20/13 | 5.00% | 58,254 | (122,500) | 180,754 |
| SLM | 3,000 | 3.79% | 3/20/19 | 5.35% | 299,723 | | 299,723 |
| Merrill Lynch: | | | | | | | |
| SLM | 700 | 3.31% | 12/20/13 | 5.00% | 40,777 | (98,000) | 138,777 |
| | | | | | \$ 463,375 | \$ (378,000) | \$ 841,375 |

- (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) *The maximum potential amount the Fund could be required to make 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, 2010 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 \$350,000 in cash as collateral for swap contracts. Cash collateral received may be invested in accordance with the Fund's investment strategy.

(B) Open reverse repurchase agreements at March 31, 2010 were:

| Counterparty | Rate | Trade Date | Maturity Date | Principal & Interest | Principal | |
|----------------------------|-----------|------------|---------------|----------------------|--------------|------------|
| Bank of America | 0.45% | 3/8/10 | 4/8/10 | \$ 2,122,432 | \$ 2,121,795 | |
| | 0.45% | 3/10/10 | 4/9/10 | 962,815 | 962,550 | |
| | 0.45% | 3/17/10 | 4/16/10 | 987,148 | 986,963 | |
| | 0.45% | 3/25/10 | 4/26/10 | 924,081 | 924,000 | |
| | 0.98% | 3/3/10 | 4/5/10 | 1,631,287 | 1,630,000 | |
| | 0.98% | 3/5/10 | 4/6/10 | 1,101,809 | 1,101,000 | |
| | 0.98% | 3/16/10 | 4/16/10 | 1,395,608 | 1,395,000 | |
| | 0.98% | 3/17/10 | 4/19/10 | 2,197,897 | 2,197,000 | |
| Barclays Bank | 0.55% | 3/8/10 | 4/7/10 | 7,342,691 | 7,340,000 | |
| | 0.55% | 3/10/10 | 4/9/10 | 1,025,344 | 1,025,000 | |
| | 0.55% | 3/16/10 | 4/15/10 | 885,216 | 885,000 | |
| | 0.55% | 3/17/10 | 4/16/10 | 423,097 | 423,000 | |
| | 0.75% | 3/4/10 | 4/5/10 | 4,031,350 | 4,029,000 | |
| | 0.75% | 3/5/10 | 4/6/10 | 1,873,053 | 1,872,000 | |
| | 0.75% | 3/8/10 | 4/7/10 | 1,334,667 | 1,334,000 | |
| | 0.75% | 3/16/10 | 4/15/10 | 1,162,387 | 1,162,000 | |
| Credit Suisse First Boston | 0.75% | 3/17/10 | 4/16/10 | 3,421,069 | 3,420,000 | |
| | 0.75% | 3/26/10 | 4/26/10 | 1,341,168 | 1,341,000 | |
| | 1.00% | 3/8/10 | 4/8/10 | 3,733,487 | 3,731,000 | |
| | 1.15% | 3/16/10 | 4/15/10 | 1,017,520 | 1,017,000 | |
| | 0.45% | 3/4/10 | 4/5/10 | 1,698,594 | 1,698,000 | |
| | 0.55% | 3/16/10 | 4/16/10 | 1,945,475 | 1,945,000 | |
| | Greenwich | 0.83% | 3/10/10 | 4/9/10 | 10,291,217 | 10,286,000 |
| | | 0.84% | 3/22/10 | 4/21/10 | 8,128,896 | 8,127,000 |
| 0.98% | | 3/16/10 | 4/14/10 | 2,250,980 | 2,250,000 | |

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| | | | | | |
|----------------|-------|---------|---------|-----------|-----------|
| | 0.98% | 3/18/10 | 4/16/10 | 1,904,726 | 1,904,000 |
| | 0.99% | 3/22/10 | 4/21/10 | 2,263,622 | 2,263,000 |
| JPMorgan | 0.75% | 3/10/10 | 4/9/10 | 3,112,426 | 3,111,000 |
| | 0.75% | 3/25/10 | 4/26/10 | 1,822,266 | 1,822,000 |
| Morgan Stanley | 0.75% | 3/29/10 | 4/27/10 | 649,041 | 649,000 |
| | 1.00% | 3/4/10 | 4/5/10 | 1,413,098 | 1,412,000 |
| | 1.00% | 3/5/10 | 4/6/10 | 1,068,801 | 1,068,000 |
| | 1.00% | 3/19/10 | 4/19/10 | 2,683,969 | 2,683,000 |

\$ 78,115,308

The weighted average daily balance of reverse repurchase agreements outstanding during the three months ended March 31, 2010 was \$74,596,836 at a weighted average interest rate of 0.82%. The total market value of underlying collateral (refer to the Schedule of Investments for positions segregated as collateral for reverse repurchase agreements) for open reverse repurchase agreements at March 31, 2010 was \$87,864,777.

The Fund received \$594,782 and \$310,000 in principal value of U.S. government agency securities and corporate bonds, respectively, and \$705,000 in cash as collateral for reverse repurchase agreements outstanding. Cash collateral received may be invested in accordance with the Fund's investment strategy. Collateral received as securities cannot be pledged.

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 technique used.

The valuation techniques used by the Fund to measure fair value during the three months ended March 31, 2010 maximized the use of observable inputs and minimized the use of unobservable inputs. When fair-valuing securities, the Fund utilized 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 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, 2010 in valuing the Fund's assets and liabilities is listed below:

| | Level 1 Quoted Prices | Level 2 Other Significant Observable Inputs | Level 3 Significant Unobservable Inputs | Value at 3/31/10 |
|-----------------------------------------------|--------------------------|------------------------------------------------------|--------------------------------------------------|-----------------------|
| Investments in Securities Assets | | | | |
| Mortgaged-Backed Securities | \$ 4,627,870 | \$ 117,589,095 | \$ 5,717,638 | \$ 127,934,603 |
| Corporate Bonds & Notes: | | | | |
| Airlines | | 4,729,530 | 3,395,430 | 8,124,960 |
| All Other | | 30,550,247 | | 30,550,247 |
| Asset-Backed Securities | | 5,433,397 | 58,297 | 5,491,694 |
| Municipal Bonds & Notes | | 2,284,500 | | 2,284,500 |
| Common Stock: | | | | |
| Energy | | 37,519 | | 37,519 |
| All Other | 615,022 | | | 615,022 |
| U.S. Government Agency Securities | | | 31,700 | 31,700 |
| Warrants | | | 11,235 | 11,235 |
| Short-Term Investments | | 11,799,484 | | 11,799,484 |
| Total Investments in Securities Assets | \$ 5,242,892 | \$ 172,423,772 | \$ 9,214,300 | \$ 186,880,964 |
| Other Financial Instruments* | | \$ 841,375 | | \$ 841,375 |
| Total Investments | \$ 5,242,892 | \$ 173,265,147 | \$ 9,214,300 | \$ 187,722,339 |

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

There were no significant transfers into and out of Levels 1 and 2 during the three months ended March 31, 2010.

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A roll forward of fair value measurements using significant unobservable inputs (Level 3) for the three months ended March 31, 2010, was as follows:

| | Beginning Balance 12/31/09 | Net Purchases (Sales) and Settlements | Accrued Discounts (Premiums) | Net Realized Gain (Loss) | Net Change in Unrealized Appreciation/ Depreciation | Transfers into Level 3 | Transfers out of Level 3** | Ending Balance 3/31/10 |
|-----------------------------------------|----------------------------------|------------------------------------------------|------------------------------------|-----------------------------|--------------------------------------------------------------|---------------------------|-------------------------------|------------------------------|
| Investments in Securities Assets | | | | | | | | |
| Mortgaged-Backed Securities | \$ 5,440,288 | \$ (276,995) | \$ 56,540 | \$ 149,402 | \$ 1,173,622 | | \$ (825,219) | \$ 5,717,638 |
| Corporate Bonds & Notes: | | | | | | | | |
| Airlines | 3,298,685 | (40,314) | 4,898 | 3,615 | 128,546 | | | 3,395,430 |
| Asset-Backed Securities | | | | | | | | |
| U.S. Government Agency Securities | 58,579 | | 1,662 | | (1,944) | | | 58,297 |
| Warrants | 40,161 | (8,347) | (19) | (52) | (43) | | | 31,700 |
| | 6,128 | | | | 5,107 | | | 11,235 |
| Total Investments | \$ 8,843,841 | \$ (325,656) | \$ 63,081 | \$ 152,965 | \$ 1,305,288 | | \$ (825,219) | \$ 9,214,300 |

** Transferred out of Level 3 because more observable inputs were available to determine price and therefore was transferred into Level 2 during the three months ended March 31, 2010.

The net change in unrealized appreciation/depreciation of investments which the Fund held at March 31, 2010 was \$1,017,850.

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: May 18, 2010

By: /s/ Lawrence G. Altadonna
Treasurer, Principal Financial & Accounting Officer

Date: May 18, 2010

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 18, 2010

By: /s/ Lawrence G. Altadonna
Treasurer, Principal Financial & Accounting Officer

Date: May 18, 2010