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TCW GALILEO
INSTITUTIONAL FUNDS

Annual / Semi-Annual Report

Statement of Additional Information (SAI)

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March 1, 1999



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FUNDS™**
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On the Internet: Text-only versions of Fund
documents can be viewed
online or downloaded from:

SEC: <http://www.sec.gov>

You can also obtain copies by visiting the SEC's
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request and a duplicating fee to the SEC's Public
Reference Section, Washington, DC 20549-6009.

As with all mutual funds,
the Securities and
Exchange Commission has
not approved or
disapproved these
securities or determined
if this Prospectus is
truthful or complete. Any
representation to the
contrary is a criminal offense.

*This prospectus tells you about the Institutional Class shares
of nine of the separate investment funds offered by TCW
Galileo Funds, Inc., each of which has different
investment objectives and policies.
Please read this document carefully
and keep it for future reference.
Sometimes we will refer to the
funds in this prospectus as
Galileo Equity Funds.*

TCW GALILEO CONVERTIBLE SECURITIES FUND

TCW GALILEO SELECT EQUITY FUND

TCW GALILEO EARNING OPPORTUNITIES FUND

TCW GALILEO LARGE CAP GROWTH FUND

TCW GALILEO LARGE CAP VALUE FUND

TCW GALILEO ANGLICAN GROWTH EQUITIES FUND

TCW GALILEO SMALL CAP GROWTH FUND

TCW GALILEO SMALL CAP VALUE FUND

TCW GALILEO VALUE OPPORTUNITIES FUND

**GOVERNMENT
EXHIBIT
248**

Crim. No. H-04-25 (S-2)

The Firm

Founded in 1971, the TCW Group provides a broad range of international and U.S. equity and fixed income investment products and services for investors around the world. With a team of over 300 investment and administrative professionals located in Los Angeles, New York, Houston, San Francisco, Hong Kong, and London, TCW has a broad depth of knowledge, investment experience and research capability. TCW Funds Management, Inc. will act as the adviser to the TCW Galileo Funds. With over \$50 billion under management or committed to management, TCW is one of the largest privately held investment companies in the United States.

TCW Galileo Funds, Inc.

This prospectus tells you about the Institutional Class shares of nine of the separate investment funds offered by TCW Galileo Funds, Inc., each of which has different investment objectives and policies. Please read this document carefully, and keep it for future reference. Sometimes we will refer to the funds in this prospectus as the Galileo Equity Funds.

TCW Galileo Convertible Securities Fund

TCW Galileo Select Equities Fund

TCW Galileo Earnings Momentum Fund

TCW Galileo Large Cap Growth Fund

TCW Galileo Large Cap Value Fund

TCW Galileo Aggressive Growth Equities Fund

TCW Galileo Small Cap Growth Fund

TCW Galileo Small Cap Value Fund

TCW Galileo Value Opportunities Fund

As with all mutual funds, the Securities and Exchange Commission has not approved or disapproved these securities or determined if this Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

March 1, 1999



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GENERAL FUND INFORMATION

Investment Objectives and Principal Strategies

All of the Galileo Equity Funds are affected by changes in the economy, or in securities and other markets. There is also the possibility that investment decisions the Adviser makes will not accomplish what they were designed to achieve or that companies in which the Funds invest will have disappointing performance or not pay their debts.

TCW Galileo Funds, Inc.	Investment Objectives	Principal Investment Strategies
TCW Galileo Convertible Securities Fund	High total return from current income and capital appreciation	Invests in convertible securities.
TCW Galileo Select Equities Fund	Long-term capital appreciation	Invests in common stock of large capitalization companies.
TCW Galileo Earnings Momentum Fund	Long-term capital appreciation	Invests in equity securities of companies experiencing or expected to experience accelerating earnings growth.
TCW Galileo Large Cap Growth Fund	Long-term capital appreciation	Invests in equity securities of large capitalization U.S. companies with above average earnings prospects.
TCW Galileo Large Cap Value Fund	Long-term capital appreciation	Invests in equity securities of large capitalization value companies.
TCW Galileo Aggressive Growth Equities Fund	Long-term capital appreciation	Invests in equity securities issued by companies that appear to offer superior growth prospects.
TCW Galileo Small Cap Growth Fund	Long-term capital appreciation	Invests in equity securities issued by small capitalization growth companies.
TCW Galileo Small Cap Value Fund	Long-term capital appreciation	Invests in equity securities issued by small capitalization value companies.
TCW Galileo Value Opportunities Fund	Long-term capital appreciation	Invests in equity securities of companies with market capitalizations between \$500 million and \$5 billion.

Under adverse market conditions, each Fund could invest some or all of its assets in money market securities. Although the Funds would do this only in seeking to avoid losses, it could have the effect of reducing the benefit from any upswing in the market.

Principal Risks

Risk is the chance that you will lose money on your investment or that it will not earn as much as you expect. In general, the greater the risk, the more money your investment can earn for you and the more you can lose. Since shares of a Fund represent an investment of securities with fluctuating market prices, the value of Fund shares will vary as each Fund's portfolio securities increase or decrease in value. Therefore, the value of an investment in a Fund could go down as well as up. All investments are subject to:

- **MARKET RISK**

There is the possibility that the returns from the types of securities in which a Fund invests will underperform returns from the various general securities markets or different asset classes. Different types of securities tend to go through cycles of outperformance and underperformance in comparison to the general securities markets.

- **SECURITIES SELECTION RISK**

There is the possibility that the specific securities held in a Fund's portfolio will underperform other funds in the same asset class or benchmarks that are representative of the general performance of the asset class because of the portfolio manager's choice of securities.

- **PRICE VOLATILITY**

There is the possibility that the value of the Fund's portfolio will change as the prices of its investments go up or down. Although stocks offer the potential for greater long-term growth than most fixed income securities, stocks generally have higher short-term volatility.

Each Fund may also be subject (in varying degrees) to the following risks:

- **LIQUIDITY RISK**

There is the possibility that a Fund may lose money or be prevented from earning capital gains if it cannot sell a security at the time and price that is most beneficial to the Fund. The Earnings Momentum, Aggressive Growth Equities, Small Cap Growth, Small Cap Value, and Value Opportunities Funds are subject to liquidity risk because they invest primarily in securities of small or medium sized companies. The Convertible Securities Fund is subject to liquidity risk because it may invest in lower quality securities.

• **FOREIGN INVESTING RISK**

There is the likelihood that foreign investments may be riskier than U.S. investments because of a lack of political stability, foreign controls on investment and currency exchange rates, fluctuations in currency exchange rates, withholding taxes, and lack of adequate company information. Each Fund is subject to foreign investing risk because it may invest in foreign company securities. In addition, because foreign securities generally are denominated and pay dividends or interest in foreign currencies, and each Fund may hold various foreign currencies, the value of the net assets of these Funds as measured in U.S. dollars can be affected favorably or unfavorably by changes in exchange rates.

• **JUNK BONDS**

These bonds are speculative in nature. They are usually issued by companies without long track records of sales and earnings, or by those companies with questionable credit strength. The Convertible Securities Fund's portfolio consists, at times, primarily of below investment grade corporate securities.

Each Fund may be more susceptible to some of the risks discussed on the previous page than others, as noted in the description of each Fund. A more detailed explanation of these risks is presented under the "Risk Considerations" section at page 32.

Because each Fund is non-diversified for Investment Company Act of 1940 ("1940 Act") purposes, it may invest more than 5% of its total assets in the securities of any one issuer. Consequently, its exposure to credit and market risks associated with that issuer is increased.

Your investment is not a bank deposit, and it is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Performance Summary

The two tables below show each Fund's annual returns and its long-term performance with respect to its Institutional Class shares. The first table shows you how the Fund's performance has varied from year to year. The second compares the Fund's performance over time to that of a broad-based securities index. Both tables assume reinvestment of dividends and distributions. The performance information includes performance of the predecessor limited partnership of each Fund which were managed by an affiliate of TCW Funds Management, Inc., using the same investment strategy as the Funds'. The performance of the partnerships were calculated using performance standards applicable to private investment partnerships, which take into account all elements of total return and reflect the deduction of all fees and expenses of operation. The predecessor limited partnerships were not registered under the 1940 Act and, therefore, were not subject to certain investment restrictions imposed by the 1940 Act. If the limited partnerships had been registered under the 1940 Act and Subchapter M of the Internal Revenue Code of 1986, as amended their performance might have been adversely affected. As with all mutual funds, past performance is not a prediction of future results.

Year by year total return (%)
as of December 31 each year*

TCW Galileo Convertible Securities Fund

16.22%	-6.09%	33.28%	14.57%	20.10%	-6.71%	22.61%	15.02%	19.26%	12.52%
1989	1990	1991	1992	1993	1994	1995	1996	1997	1998

*The Fund's total return for the period October 31, 1998 to December 31, 1998 is: 11.1%

TCW Galileo Select Equities Fund

15.41%	10.85%	22.93%	-7.04%	26.45%	20.58%	22.70%	37.97%
1991	1992	1993	1994	1995	1996	1997	1998

*The Fund's total return for the period October 31, 1998 to December 31, 1998 is: 16.2%

TCW Galileo Earnings Momentum Fund

23.95%	-5.70%	26.43%	10.56%	9.94%	7.45%
1993	1994	1995	1996	1997	1998

*The Fund's total return for the period October 31, 1998 to December 31, 1998 is: 27.5%

TCW Galileo Large Cap Growth Fund

8.70%	59.15%
1997	1998

*The Fund's total return for the period October 31, 1998 to December 31, 1998 is: 23.2%

Average annual total return as of December 31	1 year	5 years	Since inception
• Convertible Securities Fund <i>First Boston Convertible Securities Index</i>	12.5%	12.0%	13.5%
• Select Equities Fund <i>S&P 500</i>	38.0%	19.1%	19.4%
• Earnings Momentum Fund <i>Russell 2000 Index</i>	7.5%	9.3%	12.3%
• Large Cap Growth Fund <i>S&P/BARRA Growth Index</i>	59.2%	N/A	43.0%
• Large Cap Value Fund <i>S&P/BARRA Value Index</i>	19.0%	N/A	18.4%
• Aggressive Growth Fund <i>S&P 400 Mid-Cap</i>	63.3%	N/A	34.2%
• Small Cap Growth Fund <i>Russell 2000 Index</i>	20.3%	20.5%	19.2%
• Value Opportunities Fund <i>Wilshire Mid-Cap 750</i>	0.3%	N/A	11.8%
	4.3%	N/A	15.4%

Fund Expenses and Expense Example

As an investor, you pay certain fees and expenses in connection with the Funds, which are described in the table below. Annual Fund operating expenses are paid out of Fund assets, so their effect is included in the share price. The Institutional Class shares of the Funds have no sales charge (load) or Rule 12b-1 distribution fees.

FEE TABLE

	Convertible Securities	Select Equities	Earnings Momentum	Large Cap Growth	Large Cap Value	Aggressive Growth Equities	Small Cap Growth	Small Cap Value	Value Opportunities
Shareholder Transaction Fees									
1) Redemption Fees	None	None	None	None	None	None	None	None	None
2) Exchange Fees	None	None	None	None	None	None	None	None	None
3) Contingent Deferred Sales Load	None	None	None	None	None	None	None	None	None
4) Sales Load on Reinvested Dividends	None	None	None	None	None	None	None	None	None
5) Sales Load on Purchases	None	None	None	None	None	None	None	None	None
Annual Fund Operating Expenses									
Management Fees	0.75%	0.75%	1.00%	0.55%	0.55%	1.00%	1.00%	1.00%	0.80%
Distribution (12b-1) Fees	None	None	None	None	None	None	None	None	None
Other Expenses	0.41%	0.11%	0.27%	1.98%	1.93%	0.17%	0.13%	0.20%	0.36%
Total Annual Fund Operating Expenses	1.16%¹	0.86%	1.27%	2.53%²	2.48%³	1.17%	1.13%	1.20%⁴	1.16%

¹The Adviser voluntarily agreed to reduce its fee or to pay the operating expenses of the Fund to reduce Annual Fund Operating Expenses to 1.05% of Net Assets through October 31, 1998.

²The Adviser voluntarily agreed to reduce its fee or to pay the operating expenses of the Fund to reduce Annual Fund Operating Expenses to 0.91% of Net Assets through October 31, 1998.

³The Adviser voluntarily agreed to reduce its fee or to pay the operating expenses of the Fund to reduce Annual Fund Operating Expenses to 0.55% of Net Assets through October 31, 1998.

⁴Estimated. Fund has no operating history.

EXPENSE EXAMPLE

This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds.

This example shows what you could pay in expenses over time. It uses the same hypothetical conditions other funds use in their prospectuses: \$10,000 Initial Investment, 5% total return each year and no changes in expenses. The figures shown would be the same whether or not you sold your shares at the end of a period. Because actual return and expenses will be higher or lower, the Example is for comparison purposes only.

	1 Year	3 Years	5 Years	10 Years
Convertible Securities	\$118	\$368	\$638	\$1,409
Select Equities	88	274	477	1,061
Earnings Momentum	129	403	697	1,534
Large Cap Growth	256	788	1,345	2,866
Large Cap Value	251	773	1,321	2,816
Aggressive Growth Equities	119	372	644	1,420
Small Cap Growth	115	359	622	1,375
Small Cap Value	122	381	660	1,455
Value Opportunities	118	368	638	1,409

TCW Galileo Convertible Securities Fund

Investment Objectives/Approach

The Fund seeks high total return from current income and capital appreciation. To pursue this goal, the Fund (except when maintaining a temporary defensive position) invests at least 65% of the value of its total assets in convertible securities.

In managing the Fund's investments, the Adviser considers the following factors when determining which securities to select:

Concepts to understand

Convertible securities are corporate securities that are exchangeable for a set number of another form of security at a pre-stated price. They can be in the form of equity or debt.

The Fund anticipates that it will primarily invest in convertible securities that have a credit rating of at least B- or B3 by rating agencies such as Moody's Investors Service, Inc. or Standard & Poor's Corporation or if unrated are deemed of comparable quality by the Adviser. These securities are considered to be mostly speculative in nature.

- the Adviser's own evaluations of the creditworthiness of the issuers of the securities
- the interest or dividend income generated by the securities
- the potential for capital appreciation of the securities and the underlying common stocks
- the protection against price declines relative to the underlying common stocks
- the prices of the securities relative to other comparable securities
- whether the securities have protective conditions
- the diversification of the Fund's investments
- the ratings assigned to the securities

*Thomas D. Lyon and Kevin A. Hunter
are the Fund's portfolio managers.*

Main Risks

The Fund holds primarily convertible securities, which may go up or down in value, in accordance with moves in the convertible securities' underlying stock, sometimes rapidly and unpredictably. Although stocks offer the potential for greater long-term growth than most fixed income securities, stocks generally have higher short-term volatility.

The primary risks affecting this Fund are "credit risk," "interest rate risk," "liquidity risk" and, to a lesser extent, "foreign investing risk."

Credit risk refers to the likelihood that the Fund could lose money if an issuer is unable to meet its financial obligations, such as the payment of principal and/or interest on an instrument, or goes bankrupt. This Fund may be subject to greater credit risk, because it invests in convertible debt securities that are below investment grade. Debt securities that are rated below investment grade are considered to be speculative. These securities rated below investment grade are also commonly known as "junk" bonds. This is especially true during periods of economic uncertainty or during economic downturns. Below investment grade securities are often issued by companies without long track records of sales and earnings, or by those companies with questionable credit strength. In the event of a prepayment problem by the issuer of these securities, they will only be paid if there is anything left after the payment of senior debt, such as bank loans and investment grade bonds. Interest rate risk refers to the possibility that the value of the Fund's portfolio investments may fall since fixed income securities generally fall in value when interest rates rise. The longer the term of a fixed income instrument, the more sensitive it will be to fluctuations in value from interest rate changes. Liquidity risk refers to the possibility that the Fund may lose money or be prevented from earning capital gains if it cannot sell a security at the time and price that is most beneficial to the Fund. Because lower quality securities may be less liquid than higher quality securities, the Fund may be more susceptible to liquidity risk than funds that invest in higher quality securities. A security whose credit rating has been lowered may be particularly difficult to sell. Because the Fund may invest a portion of its assets in securities issued by foreign companies, it may be subject to foreign investing risks. Foreign investing risk refers to the likelihood that foreign investments may be riskier than U.S. investments because of many factors, some of which include:

- a lack of political or economic stability
- foreign controls on investment and changes in currency exchange rates
- withholding taxes
- a lack of adequate company information

The risks of foreign investing are even more pronounced if the Fund invests in emerging markets. In addition, securities traded only through foreign markets may be more volatile and are often harder to sell. Volatility is a way to measure the changes in the price of a single security or an entire portfolio. Large and frequent price changes indicate higher volatility, which generally indicates that there is a greater chance you could lose money over the short term. The Fund is also subject to foreign currency risk. Because foreign securities are generally denominated and pay dividends or interest in foreign currencies, the value of the net assets of the Fund as measured in U.S. dollars will be affected favorably or unfavorably by changes in exchange rates.

The Fund seeks to earn additional income by making loans of its portfolio securities to brokers, dealers and other financial institutions. The loans will be secured at all times by cash and liquid high grade debt obligations. As with any extension of credit, there are risks of delay in recovery and in some cases even loss of rights in the collateral should the borrower fail financially.

The Fund may engage in active portfolio management which may result in increased Fund transaction expenses and have tax consequences, such as increased realized gains, for investors.

