

PIMCO Income Strategy Fund II  
Form N-Q  
December 29, 2014

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM N-Q**

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

<b>Investment Company Act File Number:</b>	<b>811-21601</b>
<b>Registrant Name:</b>	<b>PIMCO Income Strategy Fund II</b>
Address of Principal Executive Offices:	1633 Broadway New York, NY 10019
Name and Address of Agent for Service:	William G. Galipeau 1633 Broadway New York, NY 10019
Registrant's telephone number, including area code:	(844) 337-4626
Date of Fiscal Year End:	July 31, 2015
Date of Reporting Period:	October 31, 2014

**Item 1. Schedule of Investments**

**PIMCO Income Strategy Fund II**

October 31, 2014 (Unaudited)

	PRINCIPAL AMOUNT (000s)	MARKET VALUE (000s)
<b>INVESTMENTS IN SECURITIES 124.1%</b>		
<b>BANK LOAN OBLIGATIONS 0.1%</b>		
<b>Clear Channel Communications, Inc.</b>		
TBD% due 01/30/2019	\$ 1,300	\$ 1,231
Total Bank Loan Obligations (Cost \$1,217)		1,231
<b>CORPORATE BONDS &amp; NOTES 42.0%</b>		
<b>BANKING &amp; FINANCE 26.0%</b>		
<b>AGFC Capital Trust</b>		
6.000% due 01/15/206	1,800	1,525
<b>Ally Financial, Inc.</b>		
4.625% due 06/26/2015	6,200	6,343
<b>American International Group, Inc.</b>		
6.250% due 03/15/2087 (f)	15,900	17,677
8.175% due 05/15/2068	300	409
<b>Army Hawaii Family Housing Trust Certificates</b>		
5.524% due 06/15/2050	7,000	7,577
<b>Banco Popular Espanol S.A.</b>		
11.500% due 10/10/2018 (d)	EUR 2,000	2,873
<b>Barclays Bank PLC</b>		
7.625% due 11/21/2022	\$ 2,200	2,401
<b>Barclays PLC</b>		
6.500% due 09/15/2019 (d)	EUR 1,500	1,840
8.000% due 12/15/2020 (d)	1,800	2,352
<b>Cooperatieve Centrale Raiffeisen-Boerenleenbank BA</b>		
8.400% due 06/29/2017 (d)	\$ 700	772
<b>Credit Agricole S.A.</b>		
6.500% due 06/23/2021 (d)	EUR 400	512
7.500% due 06/23/2026 (d)	GBP 3,500	5,521
7.875% due 01/23/2024 (d)	\$ 2,300	2,381
<b>GMAC International Finance BV</b>		
7.500% due 04/21/2015	EUR 4,200	5,406
<b>GSPA Monetization Trust</b>		
6.422% due 10/09/2029	\$ 5,044	5,797
<b>ILFC E-Capital Trust</b>		
6.250% due 12/21/2065	4,300	4,182
<b>LBG Capital PLC</b>		
7.375% due 03/12/2020	EUR 500	675

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8.875% due 02/07/2020		8,900	12,569
12.750% due 08/10/2020	GBP	300	539
15.000% due 12/21/2019	EUR	1,100	2,038
<b>Lloyds Banking Group PLC</b>			
7.625% due 06/27/2023 (d)	GBP	6,100	9,880
<b>Millennium Offshore Services Superholdings LLC</b>			
9.500% due 02/15/2018	\$	4,500	4,500
<b>Navient Corp.</b>			
5.500% due 01/15/2019		24,240	25,195
<b>Nippon Life Insurance Co.</b>			
5.100% due 10/16/2044		1,700	1,779
<b>Novo Banco S.A.</b>			
2.625% due 05/08/2017	EUR	200	227
3.875% due 01/21/2015		200	250
4.750% due 01/15/2018		600	720
5.000% due 04/04/2019		311	362
5.000% due 04/23/2019		653	771
5.000% due 05/14/2019		431	507
5.000% due 05/21/2019		241	281
5.000% due 05/23/2019		240	283
5.875% due 11/09/2015		900	1,099
<b>Russian Agricultural Bank OJSC Via RSHB Capital S.A.</b>			
5.298% due 12/27/2017	\$	3,200	3,128
6.299% due 05/15/2017		5,500	5,541
<b>Sberbank of Russia Via SB Capital S.A.</b>			
5.717% due 06/16/2021		6,100	5,974
<b>Vnesheconombank Via VEB Finance PLC</b>			
6.902% due 07/09/2020		11,000	11,275
<b>Wachovia Capital Trust</b>			
5.570% due 12/01/2014 (d)		5,000	4,863
<b>Western Group Housing LP</b>			
6.750% due 03/15/2057		5,500	6,717

166,741

<b>INDUSTRIALS 6.2%</b>		
<b>Anadarko Petroleum Corp.</b>		
7.000% due 11/15/2027	3,400	4,040
<b>Boxer Parent Co., Inc. (9.000% Cash or 9.750% PIK)</b>		
9.000% due 10/15/2019 (b)	1,600	1,443
<b>Forbes Energy Services Ltd.</b>		
9.000% due 06/15/2019	300	291
<b>Ford Motor Co.</b>		
7.700% due 05/15/2097	2,960	3,884
<b>Gulfport Energy Corp.</b>		
7.750% due 11/01/2020	400	410
<b>Hema Bondco BV</b>		
6.250% due 06/15/2019	EUR 200	223
<b>Intrepid Aviation Group Holdings LLC</b>		
6.875% due 02/15/2019	\$ 1,980	1,970
<b>Perstorp Holding AB</b>		
8.750% due 05/15/2017	2,400	2,448
9.000% due 05/15/2017	EUR 700	903
<b>Pertamina Persero PT</b>		
6.450% due 05/30/2044	\$ 16,000	17,080
<b>Schaeffler Holding Finance BV (6.250% Cash or 6.250% PIK)</b>		
6.250% due 11/15/2019 (b)	1,800	1,872
<b>Schaeffler Holding Finance BV (6.750% Cash or 6.750% PIK)</b>		
6.750% due 11/15/2022 (b)	1,000	1,063
<b>UAL Pass-Through Trust</b>		
10.400% due 05/01/2018	1,841	2,034
<b>UCP, Inc.</b>		
8.500% due 10/21/2017	2,000	1,979
		39,640
<b>UTILITIES 9.8%</b>		
<b>Bruce Mansfield Unit Pass-Through Trust</b>		
6.850% due 06/01/2034	2,195	2,444
<b>CenturyLink, Inc.</b>		
7.600% due 09/15/2039	7,000	7,105
<b>Dynegy Finance, Inc.</b>		
6.750% due 11/01/2019	955	990
7.375% due 11/01/2022	905	958
7.625% due 11/01/2024	155	164
<b>Gazprom Neft OAO Via GPN Capital S.A.</b>		
4.375% due 09/19/2022	6,100	5,421
6.000% due 11/27/2023	13,000	12,642
<b>Illinois Power Generating Co.</b>		
7.000% due 04/15/2018	1,700	1,632
7.950% due 06/01/2032	500	493

<b>Northwestern Bell Telephone</b>		
7.750% due 05/01/2030	12,625	14,544
<b>Qwest Corp.</b>		
7.200% due 11/10/2026	3,400	3,421
<b>Red Oak Power LLC</b>		
8.540% due 11/30/2019	2,168	2,358
<b>Rosneft Finance S.A.</b>		
6.625% due 03/20/2017	3,900	4,030
7.500% due 07/18/2016	5,500	5,741
7.875% due 03/13/2018	500	537
		62,480

Total Corporate Bonds & Notes		268,861
(Cost \$259,152)		

**MUNICIPAL BONDS & NOTES 8.6%****CALIFORNIA 2.4%****La Quinta Financing Authority, California Tax Allocation Bonds, Series 2011**

8.070% due 09/01/2036	3,000	3,480
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**Riverside County, California Redevelopment Successor Agency Tax Allocation Bonds, Series 2010**

7.500% due 10/01/2030	1,200	1,326
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**San Francisco, California City & County Redevelopment Agency Tax Allocation Bonds, Series 2009**

8.406% due 08/01/2039	1,650	2,039
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**Stockton Public Financing Authority, California Revenue Bonds, (BABs), Series 2009**

7.942% due 10/01/2038	7,500	8,408
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		15,253
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**NEBRASKA 1.2%****Public Power Generation Agency, Nebraska Revenue Bonds, (BABs), Series 2009**

7.242% due 01/01/2041	6,500	7,414
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**NEW JERSEY 0.0%****Tobacco Settlement Financing Corp., New Jersey Revenue Bonds, Series 2007**

5.000% due 06/01/2041	400	299
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**OHIO 4.4%****Ohio State University Revenue Bonds, Series 2011**

4.800% due 06/01/2111	27,300	28,184
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**VIRGINIA 0.1%****Tobacco Settlement Financing Corp., Virginia Revenue Bonds, Series 2007**

6.706% due 06/01/2046	850	629
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**WEST VIRGINIA 0.5%****Tobacco Settlement Finance Authority, West Virginia Revenue Bonds, Series 2007**

7.467% due 06/01/2047	4,100	3,493
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Total Municipal Bonds & Notes (Cost \$48,306)		55,272
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**U.S. GOVERNMENT AGENCIES 18.0%****Fannie Mae**

3.500% due 02/25/2042 - 01/25/2043 (a)	3,058	446
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4.000% due 08/25/2042 - 01/25/2043 (a)	24,072	4,044
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4.500% due 11/25/2042 (a)	4,556	811
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5.217% due 12/25/2042	506	401
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5.218% due 07/25/2043	1,309	1,059
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5.772% due 01/25/2043	1,892	1,493
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5.998% due 11/25/2042 (a)	5,182	1,238
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6.098% due 01/25/2040 - 08/25/2041 (a)	8,129	1,443
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6.448% due 11/25/2040 - 04/25/2041 (a)	32,128	5,452
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9.796% due 06/25/2043	8,950	9,424
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11.861% due 06/25/2043	9,397	9,932
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**Freddie Mac**

3.000% due 02/15/2033 (a)	3,644	475
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3.500% due 01/15/2043 (a)	4,727	718
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4.000% due 11/15/2039 (a)	3,647	511
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5.847% due 08/15/2042 (a)	4,404	964
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8.294% due 07/15/2039	26,094	26,410
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11.593% due 09/15/2035 - 08/15/2043	5,886	6,166
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**Freddie Mac Strips**

3.500% due 12/15/2032 (a)	7,265	1,054
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**Ginnie Mae**

3.500% due 06/20/2042 - 03/20/2043 (a)	4,260	561
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4.000% due 03/20/2042 - 10/20/2042 (a)	4,118	669
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7.207% due 05/16/2041 (f)	31,000	31,638
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8.591% due 08/20/2039	8,700	9,966
<b>Total U.S. Government Agencies</b> (Cost \$115,180)		114,875
<b>MORTGAGE-BACKED SECURITIES 27.5%</b>		
<b>Banc of America Alternative Loan Trust</b>		
5.500% due 10/25/2033	7,570	7,836
6.000% due 01/25/2036	227	194
6.000% due 07/25/2046 ^	1,152	959
<b>Banc of America Funding Trust</b>		
2.829% due 01/20/2047 ^	62	49
6.000% due 08/25/2037 ^	8,835	7,817
<b>BCAP LLC Trust</b>		
2.698% due 05/26/2036	690	17
5.410% due 03/26/2037	1,827	632
9.993% due 05/26/2037	1,728	416
13.704% due 09/26/2036	5,871	4,517
17.277% due 06/26/2036	488	140
<b>Bear Stearns Adjustable Rate Mortgage Trust</b>		
2.508% due 10/25/2034	1,787	1,596
<b>Bear Stearns ALT-A Trust</b>		
2.561% due 11/25/2036	562	388
2.661% due 09/25/2035 ^	1,430	1,161
<b>Chase Mortgage Finance Trust</b>		
2.497% due 12/25/2035 ^	19	17
5.500% due 05/25/2036	83	76
<b>Citicorp Mortgage Securities Trust</b>		
5.500% due 04/25/2037	261	269
6.000% due 09/25/2037	2,590	2,724
<b>Countrywide Alternative Loan Resecuritization Trust</b>		
6.000% due 05/25/2036 ^	4,749	4,154
6.000% due 08/25/2037	1,976	1,554
<b>Countrywide Alternative Loan Trust</b>		
5.500% due 03/25/2035	623	582
5.500% due 01/25/2036	1,511	1,353
5.500% due 03/25/2036	225	181
5.648% due 04/25/2036 ^	3,227	2,387
5.750% due 01/25/2035	746	765



5.750% due 02/25/2035	884	869
5.750% due 12/25/2036 ^	1,323	1,072
6.000% due 02/25/2035	684	736
6.000% due 04/25/2036	972	823
6.000% due 04/25/2037 ^	3,314	2,730
6.000% due 05/25/2037	4,229	3,492
6.250% due 11/25/2036 ^	1,406	1,333
6.250% due 12/25/2036 ^	962	808
6.500% due 08/25/2036 ^	861	675
<b>Countrywide Home Loan Mortgage Pass-Through Trust</b>		
5.750% due 03/25/2037 ^	1,222	1,120
6.000% due 05/25/2036 ^	879	821
6.000% due 02/25/2037	963	928
6.000% due 03/25/2037	1,365	1,243
6.000% due 07/25/2037	4,125	3,556
6.000% due 09/25/2037 ^	4,623	4,413
6.250% due 09/25/2036 ^	1,469	1,331
<b>Credit Suisse Mortgage Capital Mortgage-Backed Trust</b>		
5.750% due 04/25/2036	358	308
6.750% due 08/25/2036 ^	2,477	1,983
<b>First Horizon Alternative Mortgage Securities Trust</b>		
6.000% due 05/25/2036	1,499	1,284
6.000% due 08/25/2036 ^	2,553	2,153
<b>First Horizon Mortgage Pass-Through Trust</b>		
2.596% due 05/25/2037 ^	144	117
2.625% due 11/25/2035 ^	1,967	1,568
<b>IndyMac Mortgage Loan Trust</b>		
6.500% due 07/25/2037	4,353	3,057
<b>JPMorgan Alternative Loan Trust</b>		
2.537% due 03/25/2037 ^	2,203	1,728
2.574% due 05/25/2036 ^	3,344	2,742
2.636% due 03/25/2036	3,748	3,006
6.310% due 08/25/2036	2,500	1,995
<b>JPMorgan Mortgage Trust</b>		
2.610% due 02/25/2036 ^	935	840
5.028% due 10/25/2035	640	634
5.500% due 04/25/2036	1,209	1,248
5.750% due 01/25/2036 ^	169	158
6.000% due 08/25/2037 ^	432	391
6.500% due 09/25/2035	163	168
<b>Lehman Mortgage Trust</b>		
6.000% due 07/25/2036 ^	1,596	1,252
6.000% due 07/25/2037	2,802	2,566
6.500% due 09/25/2037 ^	5,412	4,820
<b>MASTR Asset Securitization Trust</b>		
6.500% due 11/25/2037 ^	950	825
<b>Merrill Lynch Mortgage Investors Trust</b>		
2.845% due 03/25/2036 ^	2,987	2,062

<b>Morgan Stanley Mortgage Loan Trust</b>		
4.884% due 05/25/2036	4,571	3,641
<b>New Century Alternative Mortgage Loan Trust</b>		
6.173% due 07/25/2036 ^	7,683	5,350
<b>Nomura Asset Acceptance Corp. Alternative Loan Trust</b>		
4.976% due 05/25/2035	32	31
<b>RBSSP Resecuritization Trust</b>		
0.312% due 02/26/2047	8,313	6,607
<b>Residential Accredit Loans, Inc. Trust</b>		
3.416% due 12/26/2034	2,472	2,126
5.750% due 01/25/2034	8,708	9,045
6.000% due 06/25/2036 ^	1,100	913
6.000% due 06/25/2036 ^	903	750
6.000% due 08/25/2036 ^	661	559
6.000% due 12/25/2036 ^	1,384	1,140
<b>Residential Asset Securitization Trust</b>		
5.750% due 02/25/2036 ^	2,055	1,741
6.000% due 02/25/2036	1,132	913
6.000% due 09/25/2036 ^	818	548
6.000% due 03/25/2037 ^	2,464	1,900
6.000% due 05/25/2037 ^	3,167	2,831
6.000% due 07/25/2037 ^	2,175	1,629
6.250% due 09/25/2037 ^	3,715	2,713
<b>Residential Funding Mortgage Securities, Inc. Trust</b>		
3.563% due 09/25/2035	3,096	2,789
3.663% due 08/25/2036	3,146	2,780
6.250% due 08/25/2036 ^	1,506	1,377
<b>Structured Adjustable Rate Mortgage Loan Trust</b>		
2.453% due 11/25/2036	4,710	3,854
4.867% due 05/25/2036	4,113	3,239
5.020% due 01/25/2036 ^	4,161	3,154
5.283% due 07/25/2036 ^	1,403	1,218
<b>Suntrust Adjustable Rate Mortgage Loan Trust</b>		
2.664% due 02/25/2037 ^	583	508
<b>WaMu Mortgage Pass-Through Certificates Trust</b>		
4.531% due 02/25/2037 ^	1,277	1,175
4.598% due 07/25/2037 ^	2,128	2,002
4.603% due 05/25/2037	2,960	2,848
6.076% due 10/25/2036 ^	1,655	1,406

<b>Wells Fargo Alternative Loan Trust</b>			
6.000% due 07/25/2037		1,483	1,421
<b>Wells Fargo Mortgage-Backed Securities Trust</b>			
2.610% due 07/25/2036 ^		717	664
2.615% due 04/25/2036		346	334
2.615% due 08/25/2036		1,150	1,102
2.617% due 07/25/2036 ^		2,374	2,285
5.750% due 03/25/2037 ^		808	783
Total Mortgage-Backed Securities (Cost \$163,795)			176,015
<b>ASSET-BACKED SECURITIES 2.4%</b>			
<b>Bear Stearns Asset-Backed Securities Trust</b>			
6.500% due 10/25/2036		429	364
<b>Greenpoint Manufactured Housing</b>			
8.140% due 03/20/2030		1,843	1,895
<b>GSAA Home Equity Trust</b>			
5.772% due 11/25/2036		2,465	1,521
6.295% due 06/25/2036 ^		1,919	1,142
<b>IndyMac Home Equity Mortgage Loan Asset-Backed Trust</b>			
0.312% due 07/25/2037		3,979	2,370
<b>Lehman XS Trust</b>			
5.525% due 06/24/2046		6,082	4,787
<b>MASTR Asset-Backed Securities Trust</b>			
5.233% due 11/25/2035		721	735
<b>Mid-State Trust</b>			
6.340% due 10/15/2036		1,509	1,596
8.330% due 04/01/2030		279	284
<b>Morgan Stanley Mortgage Loan Trust</b>			
6.250% due 07/25/2047 ^		1,073	821
Total Asset-Backed Securities (Cost \$15,451)			15,515
<b>SOVEREIGN ISSUES 9.7%</b>			
<b>Autonomous Community of Valencia</b>			
2.509% due 09/03/2017	EUR	2,500	3,157
<b>Brazil Letras do Tesouro Nacional</b>			
0.000% due 01/01/2017	BRL	187,600	58,944
Total Sovereign Issues (Cost \$62,754)			62,101

SHARES

**PREFERRED SECURITIES 7.6%****BANKING & FINANCE 6.2%****Citigroup Capital**

7.875% due 10/30/2040	260,000	6,921
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**Farm Credit Bank of Texas**

6.750% due 09/15/2023 (d)	100,000	10,678
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10.000% due 12/15/2020 (d)	16,900	21,891
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39,490

**UTILITIES 1.4%****Entergy Texas, Inc.**

5.625% due 06/01/2064	360,400	9,230
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Total Preferred Securities (Cost \$44,974)		48,720
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PRINCIPAL  
AMOUNT  
(000s)

**SHORT-TERM INSTRUMENTS 8.2%**

<b>REPURCHASE AGREEMENTS (e) 0.7%</b>		4,483
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**SHORT-TERM NOTES 6.3%****Fannie Mae**

0.071% due 04/27/2015	\$ 7,700	7,698
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0.076% due 05/01/2015	1,300	1,300
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0.081% due 05/01/2015	1,000	1,000
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**Freddie Mac 0.071% due**

03/25/2015 - 04/10/2015	30,200	30,193
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40,191

<b>U.S. TREASURY BILLS 1.2%</b>		
0.041% due 03/05/2015 - 04/30/2015 (c)(h)(j)	7,788	7,787
Total Short-Term Instruments (Cost \$52,457)		52,461
Total Investments in Securities (Cost \$763,286)		795,051
<b>Total Investments 124.1%</b> <b>(Cost \$763,286)</b>	<b>\$</b>	<b>795,051</b>
<b>Financial Derivative Instruments (g)(i) 0.6%</b> <b>(Cost or Premiums, net \$(525))</b>		<b>3,490</b>
<b>Preferred Shares (25.1%)</b>		<b>(161,000)</b>
<b>Other Assets and Liabilities, net 0.4%</b>		<b>2,877</b>
<b>Net Assets Applicable to Common Shareholders 100.0%</b>	<b>\$</b>	<b>640,418</b>

Notes to Schedule of Investments (amounts in thousands\*):

\* A zero balance may reflect actual amounts rounding to less than one thousand.

^ Security is in default.

(a) Interest only security.

(b) Payment in-kind bond security.

(c) Coupon represents a weighted average yield to maturity.

(d) Perpetual maturity; date shown, if applicable, represents next contractual call date.  
Borrowings and Other Financing Transactions

(e) Repurchase Agreements:

Counterparty	Lending Rate	Settlement Date	Maturity Date	Principal Amount	Collateralized By	Collateral Received, at Value	Repurchase Agreements at Value	Repurchase Agreements Proceeds to
	0.160%	10/31/2014	11/03/2014	\$ 3,200	U.S. Treasury Bonds 3.750% due 11/15/2043	\$ (3,309)	\$ 3,200	\$ 3,200
	0.000%	10/31/2014	11/03/2014	1,283	Freddie Mac 2.000% due 11/02/2022	(1,311)	1,283	1,283
<b>Repurchase Agreements</b>						<b>\$ (4,620)</b>	<b>\$ 4,483</b>	<b>\$ 4,483</b>

(1) Includes accrued interest.

Reverse Repurchase Agreements:

Counterparty	Borrowing Rate	Borrowing Date	Maturity Date	Amount Borrowed	Payable for Reverse Repurchase Agreements
RDR	0.420%	11/05/2014	02/05/2015	\$ (16,963)	\$ (16,963)

0.590% 11/05/2014 02/05/2015 (17,680) (17,680)

**Total Reverse Repurchase Agreements** **\$ (34,643)**

**(f) Securities with an aggregate market value of \$38,089 have been pledged as collateral under the terms of master agreements as of October 31, 2014.**

**(g) Financial Derivative Instruments: Exchange-Traded or Centrally Cleared Swap Agreements:**

**Interest Rate Swaps**

Pay/Receive	Floating Rate Index	Floating Rate	Fixed Rate	Maturity Date	Notional Amount	Market Value	Unrealized		Variation Margin	
							Appreciation/Depreciation	Asset	Liability	
Pay	3-Month USD-LIBOR	2.000%		06/18/2019	\$ 275,000	\$ 6,139	\$ 2,541	\$ 0	\$ (325)	
Receive	3-Month USD-LIBOR	3.750%		09/17/2043	236,000	(26,707)	(9,672)	1,439	0	
Pay	3-Month USD-LIBOR	3.500%		06/19/2044	236,000	25,072	32,771	0	(1,379)	
Receive	3-Month USD-LIBOR	3.500%		12/17/2044	125,600	(11,270)	(6,304)	764	0	
Receive	3-Month USD-LIBOR	3.500%		06/17/2045	66,400	(4,910)	(2,698)	409	0	
						\$ (11,676)	\$ 16,638	\$ 2,612	\$ (1,704)	
<b>Total Swap Agreements</b>						<b>\$ (11,676)</b>	<b>\$ 16,638</b>	<b>\$ 2,612</b>	<b>\$ (1,704)</b>	

**(h) Securities with an aggregate market value of \$5,847 and cash of \$14,325 have been pledged as collateral for exchange-traded and centrally cleared financial derivative instruments as of October 31, 2014.**

**(i) Financial Derivative Instruments: Over The Counter**

## Forward Foreign Currency Contracts:

Counterparty	Settlement Month	Currency to		Currency to		Unrealized Appreciation/(Depreciation)			
		be Delivered		be Received		Asset	Liability		
BOA	11/2014	GBP	10,766	\$	17,602	\$	380	\$	0
	11/2014	\$	16,637	GBP	10,325		0		(121)
	12/2014	EUR	252	\$	321		5		0
	12/2014	GBP	10,445		16,826		122		0
	06/2015	EUR	691		940		72		0
	06/2015	\$	102	EUR	78		0		(4)
	06/2016	EUR	1,940	\$	2,656		199		0
	06/2016	\$	113	EUR	84		0		(7)
BPS	11/2014	EUR	4,139	\$	5,278		92		0
	06/2015		316		429		32		0
BRC	11/2014		591		753		13		0
	11/2014	\$	712	GBP	441		0		(6)
	12/2014	BRL	366	\$	149		2		0
	06/2015	EUR	397		539		41		0
	06/2015	\$	170	EUR	129		0		(8)
CBK	06/2016	EUR	368	\$	506		40		0
	01/2015	BRL	79,859		31,764		88		0
	06/2015	EUR	340		465		38		0
	06/2015	\$	139	EUR	105		0		(7)
DUB	11/2014	EUR	1,453	\$	1,840		19		0
	12/2014	BRL	823		335		6		0
	06/2015	\$	511	EUR	393		0		(18)
	06/2016	EUR	205	\$	281		21		0
	06/2016	\$	23	EUR	17		0		(1)
FBF	12/2014	BRL	285	\$	116		2		0
	04/2015	EUR	8,667		11,750		877		0
	06/2015		575		780		59		0
GLM	11/2014		198		251		3		0
	12/2014	BRL	457		186		3		0
	12/2014	EUR	207		260		1		0
	06/2015	\$	770	EUR	579		0		(43)
HUS	11/2014	EUR	462	\$	588		9		0
JPM	11/2014		1,952		2,501		55		0
MSB	01/2015	BRL	66,248		26,374		96		0
	06/2015	EUR	481		659		56		0
	06/2016		516		710		56		0
NAB	06/2015		402		547		42		0
	06/2016		1,123		1,542		120		0
	07/2016		70		95		6		0
UAG	11/2014	BRL	896		378		16		0
	11/2014	EUR	6,886		8,809		180		0
	11/2014	\$	363	BRL	896		0		(1)



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11/2014		19,927	EUR	15,681	0	(277)
12/2014	BRL	896	\$	360	1	0
12/2014	EUR	15,681		19,930	276	0
06/2015	\$	304	EUR	231	0	(15)
<b>Total Forward Foreign Currency Contracts</b>					<b>\$ 3,028</b>	<b>\$ (508)</b>

**Swap Agreements:**

**Credit Default Swaps on Corporate Issues - Sell Protection <sup>(1)</sup>**

## Swap Agreements, at Value

Counterparty	Reference Entity	Fixed Deal Receive Rate	Maturity Date	Implied Credit Spread at October 31, 2014 <sup>(2)</sup>	Notional Amount <sup>(3)</sup>	Premiums (Received)	Unrealized			
							Appreciation	Asset	Liability	
BPS	Novo Banco S.A.	5.000%	12/20/2019	4.650%	EUR 400	\$ (6)	\$ 17	\$ 11	\$ 0	
BRC	Novo Banco S.A.	5.000%	12/20/2019	4.650%	900	(14)	37	23	0	
							\$ (20)	\$ 54	\$ 34	\$ 0

- (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 on corporate issues 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 pay 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.

## Interest Rate Swaps

Counterparty	Pay/Receive	Floating Rate Index	Fixed Rate	Maturity Date	Notional Amount	Premiums (Received)	Swap Agreements, at Value Unrealized			
							Appreciation/ Depreciation	Asset	Liability	
BOA	Pay	3-Month USD-LIBOR	2.200%	01/14/2020	\$ 160,900	\$ (366)	\$ 906	\$ 540	\$ 0	
CBK	Pay	1-Year BRL-CDI	11.500%	01/04/2021	BRL 49,000	(47)	(86)	0	(133)	
UAG	Pay	1-Year BRL-CDI	11.250%	01/04/2021	61,900	(92)	(287)	0	(379)	
							\$ (505)	\$ 533	\$ 540	\$ (512)
<b>Total Swap Agreements</b>							<b>\$ (525)</b>	<b>\$ 587</b>	<b>\$ 574</b>	<b>\$ (512)</b>

- (j) Securities with an aggregate market value of \$1,940 have been pledged as collateral for financial derivative instruments as governed by International Swaps and Derivatives Association, Inc. master agreements as of October 31, 2014.

## Fair Value Measurements

The following is a summary of the fair valuations according to the inputs used as of October 31, 2014 in valuing the Fund's assets and liabilities:

Category and Subcategory	Level 1	Level 2	Level 3	Fair Value at 10/31/2014
<b>Investments in Securities, at Value</b>				
Bank Loan Obligations	\$ 0	\$ 1,231	\$ 0	\$ 1,231
<b>Corporate Bonds &amp; Notes</b>				
Banking & Finance	0	160,944	5,797	166,741
Industrials	0	35,627	4,013	39,640
Utilities	0	60,036	2,444	62,480
<b>Municipal Bonds &amp; Notes</b>				
California	0	15,253	0	15,253
Nebraska	0	7,414	0	7,414
New Jersey	0	299	0	299
Ohio	0	28,184	0	28,184
Virginia	0	629	0	629
West Virginia	0	3,493	0	3,493
U.S. Government Agencies	0	114,875	0	114,875
Mortgage-Backed Securities	0	176,015	0	176,015
Asset-Backed Securities	0	15,515	0	15,515
Sovereign Issues	0	62,101	0	62,101
<b>Preferred Securities</b>				
Banking & Finance	6,921	32,569	0	39,490
Utilities	9,230	0	0	9,230
<b>Short-Term Instruments</b>				
Repurchase Agreements	0	4,483	0	4,483
Short-Term Notes	0	40,191	0	40,191
U.S. Treasury Bills	0	7,787		