

PIMCO Income Strategy Fund II  
Form N-Q  
June 26, 2015

**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<br>New York, NY 10019  |
| Name and Address of Agent for Service:              | William G. Galipeau<br>650 Newport Center Drive<br>Newport Beach, CA 92660 |
| Registrant's telephone number, including area code: | (844) 337-4626   |
| Date of Fiscal Year End:                            | July 31  |
| Date of Reporting Period:                           | April 30, 2015   |

**Item 1. Schedule of Investments**

## Schedule of Investments

## PIMCO Income Strategy Fund II

April 30, 2015 (Unaudited)

|   | PRINCIPAL<br>AMOUNT<br>(000s) | MARKET<br>VALUE<br>(000s) |
|---|-------------------------------|---------------------------|
| <b>INVESTMENTS IN SECURITIES 117.4%</b>       |                               |                           |
| <b>BANK LOAN OBLIGATIONS 0.6%</b>             |                               |                           |
| <b>Clear Channel Communications, Inc.</b>     |                               |                           |
| 6.928% due 01/30/2019                         | \$ 4,300                      | \$ 4,125                  |
| Total Bank Loan Obligations<br>(Cost \$4,040) |                               | 4,125                     |
| <b>CORPORATE BONDS &amp; NOTES 47.8%</b>      |                               |                           |
| <b>BANKING &amp; FINANCE 24.3%</b>            |                               |                           |
| <b>AGFC Capital Trust</b>                     |                               |                           |
| 6.000% due 01/15/2067                         | 1,800                         | 1,386                     |
| <b>American International Group, Inc.</b>     |                               |                           |
| 6.250% due 03/15/2087                         | 11,608                        | 13,287                    |
| 8.175% due 05/15/2068                         | 300                           | 417                       |
| <b>Banco do Brasil S.A.</b>                   |                               |                           |
| 6.250% due 04/15/2024 (e)                     | 400                           | 297                       |
| 9.000% due 06/18/2024 (e)                     | 2,100                         | 1,953                     |
| 9.250% due 04/15/2023 (e)                     | 300                           | 294                       |
| <b>Banco Santander S.A.</b>                   |                               |                           |
| 6.250% due 09/11/2021 (e)                     | EUR 1,600                     | 1,794                     |
| <b>Barclays Bank PLC</b>                      |                               |                           |
| 7.625% due 11/21/2022                         | \$ 2,200                      | 2,581                     |
| <b>Barclays PLC</b>                           |                               |                           |
| 6.500% due 09/15/2019 (e)                     | EUR 1,500                     | 1,716                     |
| 8.000% due 12/15/2020 (e)                     | 3,900                         | 4,839                     |
| <b>BGC Partners, Inc.</b>                     |                               |                           |
| 5.375% due 12/09/2019 (h)                     | \$ 6,370                      | 6,573                     |
| <b>Credit Agricole S.A.</b>                   |                               |                           |
| 6.500% due 06/23/2021 (e)                     | EUR 400                       | 471                       |
| 7.500% due 06/23/2026 (e)                     | GBP 3,500                     | 5,487                     |
| 7.875% due 01/23/2024 (e)                     | \$ 2,300                      | 2,452                     |
| <b>ERB Hellas PLC</b>                         |                               |                           |
| 4.250% due 06/26/2018 (h)                     | EUR 250                       | 177                       |
| <b>GSPA Monetization Trust</b>                |                               |                           |
| 6.422% due 10/09/2029                         | \$ 4,986                      | 5,711                     |
| <b>ILFC E-Capital Trust</b>                   |                               |                           |
| 6.250% due 12/21/2065                         | 4,000                         | 3,900                     |

|   |     |        |        |
|---|-----|--------|--------|
| <b>Jefferies Finance LLC</b>                                |     |        |        |
| 6.875% due 04/15/2022                                       |     | 8,250  | 7,920  |
| <b>LBG Capital PLC</b>                                      |     |        |        |
| 12.750% due 08/10/2020                                      | GBP | 300    | 473    |
| 15.000% due 12/21/2019                                      | EUR | 1,100  | 1,850  |
| <b>Lloyds Banking Group PLC</b>                             |     |        |        |
| 7.625% due 06/27/2023 (e)                                   | GBP | 6,100  | 10,014 |
| <b>Millennium Offshore Services Superholdings LLC</b>       |     |        |        |
| 9.500% due 02/15/2018                                       | \$  | 4,500  | 4,095  |
| <b>Navient Corp.</b>  |     |        |        |
| 5.500% due 01/15/2019                                       |     | 12,550 | 12,788 |
| 5.625% due 08/01/2033                                       |     | 150    | 123    |
| 5.875% due 03/25/2021                                       |     | 300    | 299    |
| <b>Novo Banco S.A.</b>                                      |     |        |        |
| 2.625% due 05/08/2017                                       | EUR | 200    | 221    |
| 4.750% due 01/15/2018                                       |     | 600    | 687    |
| 5.000% due 04/04/2019                                       |     | 311    | 359    |
| 5.000% due 04/23/2019                                       |     | 653    | 754    |
| 5.000% due 05/14/2019                                       |     | 431    | 497    |
| 5.000% due 05/21/2019                                       |     | 241    | 278    |
| 5.000% due 05/23/2019                                       |     | 240    | 276    |
| 5.875% due 11/09/2015                                       |     | 1,800  | 2,035  |
| <b>OneMain Financial Holdings, Inc.</b>                     |     |        |        |
| 7.250% due 12/15/2021                                       | \$  | 5,665  | 6,012  |
| <b>Rabobank Group</b>                                       |     |        |        |
| 8.400% due 06/29/2017 (e)                                   |     | 700    | 772    |
| <b>Russian Agricultural Bank OJSC Via RSHB Capital S.A.</b> |     |        |        |
| 5.298% due 12/27/2017                                       |     | 3,200  | 3,076  |
| 6.299% due 05/15/2017                                       |     | 5,500  | 5,452  |
| <b>Sberbank of Russia Via SB Capital S.A.</b>               |     |        |        |
| 5.717% due 06/16/2021                                       |     | 6,100  | 5,871  |
| <b>Tesco Property Finance PLC</b>                           |     |        |        |
| 5.411% due 07/13/2044                                       | GBP | 2,196  | 3,242  |
| 6.052% due 10/13/2039                                       |     | 1,203  | 1,957  |
| <b>TIG FinCo PLC</b>  |     |        |        |
| 8.500% due 03/02/2020                                       |     | 687    | 1,103  |
| 8.750% due 04/02/2020                                       |     | 3,804  | 5,898  |
| <b>Vnesheconombank Via VEB Finance PLC</b>                  |     |        |        |
| 5.942% due 11/21/2023                                       | \$  | 3,000  | 2,678  |
| 6.902% due 07/09/2020                                       |     | 11,000 | 10,643 |

|   |           |         |
|---|-----------|---------|
| <b>Western Group Housing LP</b>                           |           |         |
| 6.750% due 03/15/2057                                     | 5,500     | 6,546   |
|   |           | 149,254 |
| <b>INDUSTRIALS 13.4%</b>                                  |           |         |
| <b>Anadarko Petroleum Corp.</b>                           |           |         |
| 7.000% due 11/15/2027                                     | 3,400     | 4,015   |
| <b>Boxer Parent Co., Inc. (9.000% Cash or 9.750% PIK)</b> |           |         |
| 9.000% due 10/15/2019 (c)                                 | 3,600     | 2,970   |
| <b>Caesars Entertainment Operating Co., Inc.</b>          |           |         |
| 9.000% due 02/15/2020 ^                                   | 2,300     | 1,777   |
| 11.250% due 06/01/2017 ^                                  | 9,000     | 6,795   |
| <b>Communications Sales &amp; Leasing, Inc.</b>           |           |         |
| 8.250% due 10/15/2023                                     | 2,000     | 2,057   |
| <b>Forbes Energy Services Ltd.</b>                        |           |         |
| 9.000% due 06/15/2019                                     | 1,164     | 850     |
| <b>Ford Motor Co.</b>                                     |           |         |
| 7.700% due 05/15/2097                                     | 10,460    | 13,527  |
| <b>Gulfport Energy Corp.</b>                              |           |         |
| 6.625% due 05/01/2023                                     | 2,000     | 2,045   |
| 7.750% due 11/01/2020                                     | 600       | 636     |
| <b>Hellenic Railways Organization S.A.</b>                |           |         |
| 4.028% due 03/17/2017                                     | EUR 1,400 | 1,061   |
| <b>Intrepid Aviation Group Holdings LLC</b>               |           |         |
| 6.875% due 02/15/2019                                     | \$ 2,090  | 1,980   |
| <b>Mallinckrodt International Finance S.A.</b>            |           |         |
| 4.875% due 04/15/2020                                     | 300       | 306     |
| 5.500% due 04/15/2025                                     | 300       | 308     |
| <b>Odebrecht Offshore Drilling Finance Ltd.</b>           |           |         |
| 6.625% due 10/01/2023                                     | 2,562     | 2,204   |
| 6.750% due 10/01/2023                                     | 744       | 644     |
| <b>Pertamina Persero PT</b>                               |           |         |
| 6.450% due 05/30/2044                                     | 11,154    | 11,935  |
| <b>Russian Railways via RZD Capital PLC</b>               |           |         |
| 7.487% due 03/25/2031                                     | GBP 1,300 | 1,891   |
| <b>Scientific Games International, Inc.</b>               |           |         |
| 10.000% due 12/01/2022                                    | \$ 4,100  | 3,823   |
| <b>Sequa Corp.</b>  |           |         |
| 7.000% due 12/15/2017                                     | 5,788     | 4,037   |
| <b>Tembec Industries, Inc.</b>                            |           |         |
| 9.000% due 12/15/2019                                     | 2,100     | 2,147   |
| <b>Trinseo Materials Operating S.C.A.</b>                 |           |         |
| 6.750% due 05/01/2022 (b)                                 | 1,400     | 1,420   |
| 8.750% due 02/01/2019                                     | 3,080     | 3,269   |
| <b>UCP, Inc.</b>  |           |         |
| 8.500% due 10/21/2017                                     | 2,000     | 2,008   |
| <b>Unique Pub Finance Co.PLC</b>                          |           |         |

Edgar Filing: PIMCO Income Strategy Fund II - Form N-Q

|  |     |        |        |
|--|-----|--------|--------|
| 6.542% due 03/30/2021                                | GBP | 1,171  | 1,878  |
| <b>Westmoreland Coal Co.</b>                         |     |        |        |
| 8.750% due 01/01/2022                                | \$  | 6,335  | 6,335  |
| <b>ZF North America Capital, Inc.</b>                |     |        |        |
| 4.000% due 04/29/2020                                |     | 800    | 809    |
| 4.500% due 04/29/2022                                |     | 800    | 807    |
| 4.750% due 04/29/2025                                |     | 800    | 806    |
|  |     |        | 82,340 |
| <b>UTILITIES 10.0%</b>                               |     |        |        |
| <b>AK Transneft OJSC Via TransCapitalInvest Ltd.</b> |     |        |        |
| 8.700% due 08/07/2018                                |     | 5,300  | 5,770  |
| <b>Gazprom Neft OAO Via GPN Capital S.A.</b>         |     |        |        |
| 4.375% due 09/19/2022                                |     | 6,100  | 5,200  |
| 6.000% due 11/27/2023                                |     | 15,900 | 14,787 |
| <b>Gazprom OAO Via Gaz Capital S.A.</b>              |     |        |        |
| 5.999% due 01/23/2021                                |     | 300    | 299    |
| <b>Illinois Power Generating Co.</b>                 |     |        |        |
| 6.300% due 04/01/2020 (h)                            |     | 3,035  | 2,891  |
| 7.000% due 04/15/2018 (h)                            |     | 5,100  | 4,960  |
| 7.950% due 06/01/2032                                |     | 500    | 484    |
| <b>Northwestern Bell Telephone</b>                   |     |        |        |
| 7.750% due 05/01/2030                                |     | 12,625 | 13,661 |
| <b>Petrobras Global Finance BV</b>                   |     |        |        |
| 2.750% due 01/15/2018                                | EUR | 470    | 502    |
| 3.151% due 03/17/2020                                | \$  | 270    | 254    |
| 4.875% due 03/17/2020                                |     | 490    | 473    |
| 5.750% due 01/20/2020                                |     | 230    | 230    |
| 6.625% due 01/16/2034                                | GBP | 100    | 140    |
| 6.750% due 01/27/2041                                | \$  | 2,400  | 2,226  |
| 7.875% due 03/15/2019                                |     | 6,900  | 7,525  |
| <b>Red Oak Power LLC</b>                             |     |        |        |
| 8.540% due 11/30/2019                                |     | 378    | 406    |
| <b>Rosneft Finance S.A.</b>                          |     |        |        |
| 6.625% due 03/20/2017                                |     | 1,100  | 1,111  |

|                       |     |     |
|-----------------------|-----|-----|
| 7.875% due 03/13/2018 | 500 | 512 |
|-----------------------|-----|-----|

|  |  |        |
|--|--|--------|
|  |  | 61,431 |
|--|--|--------|

|   |  |         |
|---|--|---------|
| Total Corporate Bonds & Notes<br>(Cost \$288,661) |  | 293,025 |
|---|--|---------|

**MUNICIPAL BONDS & NOTES 10.1%****CALIFORNIA 2.5%****La Quinta Financing Authority, California Tax Allocation Bonds, Series 2011**

|                       |       |       |
|-----------------------|-------|-------|
| 8.070% due 09/01/2036 | 3,000 | 3,466 |
|-----------------------|-------|-------|

**Riverside County, California Redevelopment Successor Agency Tax Allocation Bonds, Series 2010**

|                       |       |       |
|-----------------------|-------|-------|
| 7.500% due 10/01/2030 | 1,200 | 1,327 |
|-----------------------|-------|-------|

**San Francisco, California City & County Redevelopment Agency Tax Allocation Bonds, Series 2009**

|                       |       |       |
|-----------------------|-------|-------|
| 8.406% due 08/01/2039 | 1,650 | 2,114 |
|-----------------------|-------|-------|

**Stockton Public Financing Authority, California Revenue Bonds, (BABs), Series 2009**

|                       |       |       |
|-----------------------|-------|-------|
| 7.942% due 10/01/2038 | 7,500 | 8,607 |
|-----------------------|-------|-------|

|  |  |        |
|--|--|--------|
|  |  | 15,514 |
|--|--|--------|

**NEBRASKA 1.3%****Public Power Generation Agency, Nebraska Revenue Bonds, (BABs), Series 2009**

|                       |       |       |
|-----------------------|-------|-------|
| 7.242% due 01/01/2041 | 6,500 | 7,692 |
|-----------------------|-------|-------|

**OHIO 4.5%****Ohio State University Revenue Bonds, Series 2011**

|                       |        |        |
|-----------------------|--------|--------|
| 4.800% due 06/01/2111 | 27,300 | 27,839 |
|-----------------------|--------|--------|

**VIRGINIA 0.1%****Tobacco Settlement Financing Corp., Virginia Revenue Bonds, Series 2007**

|                       |     |     |
|-----------------------|-----|-----|
| 6.706% due 06/01/2046 | 835 | 641 |
|-----------------------|-----|-----|

**WEST VIRGINIA 1.7%****Tobacco Settlement Finance Authority, West Virginia Revenue Bonds, Series 2007**

|                       |        |        |
|-----------------------|--------|--------|
| 7.467% due 06/01/2047 | 11,980 | 10,426 |
|-----------------------|--------|--------|

|  |  |        |
|--|--|--------|
| Total Municipal Bonds & Notes<br>(Cost \$54,948) |  | 62,112 |
|--|--|--------|

**U.S. GOVERNMENT AGENCIES 7.7%****Fannie Mae**

Edgar Filing: PIMCO Income Strategy Fund II - Form N-Q

|   |        |        |
|---|--------|--------|
| 3.500% due 02/25/2042 - 01/25/2043 (a)            | 2,867  | 380    |
| 4.500% due 11/25/2042 (a)                         | 4,238  | 657    |
| 6.069% due 01/25/2040 (a)                         | 625    | 118    |
| 9.738% due 06/25/2043                             | 8,288  | 9,238  |
| 11.783% due 06/25/2043                            | 8,560  | 9,496  |
| <b>Freddie Mac</b>                                |        |        |
| 3.000% due 02/15/2033 (a)                         | 3,443  | 422    |
| 3.500% due 12/15/2032 (a)                         | 6,706  | 1,160  |
| 8.237% due 07/15/2039 (h)                         | 21,161 | 22,075 |
| 11.522% due 09/15/2035                            | 2,759  | 2,877  |
| <b>Ginnie Mae</b>                                 |        |        |
| 3.500% due 06/20/2042 - 10/20/2042 (a)            | 1,521  | 163    |
| 4.000% due 03/20/2042 - 10/20/2042 (a)            | 3,832  | 588    |
| Total U.S. Government Agencies<br>(Cost \$45,702) |        | 47,174 |

**MORTGAGE-BACKED SECURITIES 30.8%**

|   |        |        |
|---|--------|--------|
| <b>Banc of America Alternative Loan Trust</b> |        |        |
| 6.000% due 01/25/2036 ^                       | 202    | 173    |
| 6.000% due 07/25/2046 ^                       | 1,013  | 843    |
| <b>Banc of America Funding Trust</b>          |        |        |
| 2.946% due 01/20/2047 ^                       | 57     | 48     |
| 6.000% due 08/25/2037 ^                       | 7,901  | 6,967  |
| <b>BCAP LLC Trust</b>                         |        |        |
| 2.671% due 05/26/2036                         | 520    | 12     |
| 2.688% due 08/26/2037                         | 14,640 | 8,554  |
| 4.471% due 07/26/2037                         | 18,212 | 16,216 |
| 5.421% due 03/26/2037                         | 1,774  | 593    |
| 6.250% due 11/26/2036                         | 5,836  | 4,934  |
| 6.652% due 12/26/2035                         | 5,391  | 4,182  |
| 8.903% due 09/26/2036                         | 5,669  | 4,196  |
| 10.228% due 05/26/2037                        | 1,561  | 637    |
| 19.097% due 06/26/2036                        | 348    | 108    |
| <b>Bear Stearns ALT-A Trust</b>               |        |        |
| 2.512% due 11/25/2035                         | 10,430 | 8,297  |
| 2.554% due 11/25/2036                         | 544    | 372    |
| 2.746% due 09/25/2035 ^                       | 1,316  | 1,084  |
| <b>Chase Mortgage Finance Trust</b>           |        |        |
| 2.424% due 12/25/2035 ^                       | 18     | 17     |
| 5.500% due 05/25/2036 ^                       | 78     | 71     |
| <b>Citicorp Mortgage Securities Trust</b>     |        |        |
| 5.500% due 04/25/2037                         | 216    | 222    |
| 6.000% due 09/25/2037                         | 2,385  | 2,497  |



|   |       |       |
|---|-------|-------|
| <b>Countrywide Alternative Loan Resecuritization Trust</b>  |       |       |
| 6.000% due 05/25/2036 ^                                     | 4,417 | 3,912 |
| 6.000% due 08/25/2037 ^                                     | 1,865 | 1,454 |
| <b>Countrywide Alternative Loan Trust</b>                   |       |       |
| 5.442% due 04/25/2036 ^                                     | 2,275 | 1,773 |
| 5.500% due 03/25/2035                                       | 587   | 538   |
| 5.500% due 01/25/2036                                       | 1,413 | 1,266 |
| 5.500% due 03/25/2036 ^                                     | 214   | 183   |
| 5.750% due 01/25/2035                                       | 703   | 717   |
| 5.750% due 02/25/2035                                       | 774   | 761   |
| 5.750% due 12/25/2036 ^                                     | 1,263 | 1,017 |
| 6.000% due 02/25/2035                                       | 670   | 699   |
| 6.000% due 04/25/2036                                       | 881   | 765   |
| 6.000% due 04/25/2037 ^                                     | 3,081 | 2,480 |
| 6.000% due 05/25/2037 ^                                     | 4,044 | 3,348 |
| 6.250% due 11/25/2036 ^                                     | 1,325 | 1,257 |
| 6.250% due 12/25/2036 ^                                     | 918   | 768   |
| 6.500% due 08/25/2036 ^                                     | 816   | 671   |
| <b>Countrywide Home Loan Mortgage Pass-Through Trust</b>    |       |       |
| 0.471% due 03/25/2035                                       | 8,057 | 6,505 |
| 5.750% due 03/25/2037 ^                                     | 1,101 | 1,001 |
| 6.000% due 05/25/2036 ^                                     | 817   | 755   |
| 6.000% due 02/25/2037 ^                                     | 873   | 839   |
| 6.000% due 03/25/2037 ^                                     | 1,235 | 1,165 |
| 6.000% due 07/25/2037                                       | 3,758 | 3,280 |
| 6.000% due 09/25/2037 ^                                     | 4,038 | 3,949 |
| 6.250% due 09/25/2036 ^                                     | 1,284 | 1,201 |
| <b>Credit Suisse First Boston Mortgage Securities Corp.</b> |       |       |
| 6.000% due 11/25/2035 ^                                     | 822   | 699   |
| <b>Credit Suisse Mortgage Capital Mortgage-Backed Trust</b> |       |       |
| 5.750% due 04/25/2036 ^                                     | 322   | 274   |
| 6.750% due 08/25/2036 ^                                     | 2,455 | 1,920 |
| <b>First Horizon Alternative Mortgage Securities Trust</b>  |       |       |
| 6.000% due 05/25/2036 ^                                     | 1,397 | 1,200 |
| 6.000% due 08/25/2036 ^                                     | 2,290 | 1,914 |
| <b>First Horizon Mortgage Pass-Through Trust</b>            |       |       |
| 2.625% due 11/25/2035 ^                                     | 1,757 | 1,423 |
| 2.702% due 05/25/2037 ^                                     | 717   | 581   |
| <b>IndyMac Mortgage Loan Trust</b>                          |       |       |
| 6.500% due 07/25/2037 ^                                     | 4,198 | 2,842 |
| <b>JPMorgan Alternative Loan Trust</b>                      |       |       |
| 2.528% due 03/25/2037 ^                                     | 2,095 | 1,645 |
| 2.571% due 03/25/2036 ^                                     | 3,559 | 2,852 |
| 2.624% due 05/25/2036 ^                                     | 3,223 | 2,640 |
| 6.310% due 08/25/2036 ^                                     | 2,468 | 1,997 |
| <b>JPMorgan Mortgage Trust</b>                              |       |       |
| 2.573% due 02/25/2036 ^                                     | 863   | 754   |
| 4.971% due 10/25/2035                                       | 552   | 543   |

Edgar Filing: PIMCO Income Strategy Fund II - Form N-Q

|  |       |       |
|--|-------|-------|
| 5.750% due 01/25/2036 ^                                    | 160   | 148   |
| 6.000% due 08/25/2037 ^                                    | 390   | 354   |
| 6.500% due 09/25/2035                                      | 154   | 160   |
| <b>Lehman Mortgage Trust</b>                               |       |       |
| 6.000% due 07/25/2036 ^                                    | 1,525 | 1,239 |
| 6.000% due 07/25/2037 ^                                    | 2,586 | 2,366 |
| 6.500% due 09/25/2037 ^                                    | 4,822 | 4,133 |
| <b>MASTR Asset Securitization Trust</b>                    |       |       |
| 6.500% due 11/25/2037 ^                                    | 845   | 718   |
| <b>Merrill Lynch Mortgage Investors Trust</b>              |       |       |
| 2.752% due 03/25/2036 ^                                    | 2,874 | 1,973 |
| <b>Morgan Stanley Mortgage Loan Trust</b>                  |       |       |
| 4.931% due 05/25/2036 ^                                    | 4,276 | 3,396 |
| <b>Nomura Asset Acceptance Corp.</b>                       |       |       |
| 4.976% due 05/25/2035                                      | 28    | 26    |
| <b>RBSSP Resecuritization Trust</b>                        |       |       |
| 0.334% due 02/26/2047                                      | 8,236 | 6,912 |
| <b>Residential Accredit Loans, Inc. Trust</b>              |       |       |
| 3.382% due 12/26/2034                                      | 2,384 | 2,037 |
| 6.000% due 06/25/2036 ^                                    | 1,852 | 1,557 |
| 6.000% due 08/25/2036 ^                                    | 620   | 525   |
| 6.000% due 12/25/2036 ^                                    | 1,300 | 1,076 |
| <b>Residential Asset Securitization Trust</b>              |       |       |
| 5.750% due 02/25/2036 ^                                    | 1,958 | 1,639 |
| 6.000% due 02/25/2036                                      | 1,077 | 853   |
| 6.000% due 09/25/2036 ^                                    | 797   | 559   |
| 6.000% due 03/25/2037 ^                                    | 2,335 | 1,668 |
| 6.000% due 05/25/2037 ^                                    | 2,877 | 2,552 |
| 6.000% due 07/25/2037 ^                                    | 2,082 | 1,552 |
| 6.250% due 09/25/2037 ^                                    | 3,495 | 2,486 |
| <b>Residential Funding Mortgage Securities, Inc. Trust</b> |       |       |
| 3.321% due 09/25/2035                                      | 2,788 | 2,498 |
| 3.671% due 08/25/2036 ^                                    | 3,044 | 2,672 |
| 6.250% due 08/25/2036 ^                                    | 1,402 | 1,279 |
| <b>Structured Adjustable Rate Mortgage Loan Trust</b>      |       |       |
| 2.413% due 11/25/2036 ^                                    | 4,640 | 3,796 |
| 5.001% due 01/25/2036 ^                                    | 3,977 | 2,983 |
| 5.180% due 05/25/2036 ^                                    | 3,535 | 2,932 |
| 5.355% due 07/25/2036 ^                                    | 1,165 | 996   |

|   |     |        |         |
|---|-----|--------|---------|
| <b>Suntrust Adjustable Rate Mortgage Loan Trust</b>           |     |        |         |
| 2.567% due 02/25/2037 ^                                       |     | 543    | 475     |
| <b>WaMu Mortgage Pass-Through Certificates Trust</b>          |     |        |         |
| 4.386% due 02/25/2037 ^                                       |     | 1,124  | 1,052   |
| 4.508% due 07/25/2037 ^                                       |     | 1,998  | 1,860   |
| 4.527% due 05/25/2037   |     | 2,752  | 2,615   |
| 6.043% due 10/25/2036 ^                                       |     | 1,557  | 1,318   |
| <b>Wells Fargo Alternative Loan Trust</b>                     |     |        |         |
| 6.000% due 07/25/2037 ^                                       |     | 1,341  | 1,308   |
| <b>Wells Fargo Mortgage-Backed Securities Trust</b>           |     |        |         |
| 2.610% due 07/25/2036 ^                                       |     | 664    | 631     |
| 2.648% due 07/25/2036 ^                                       |     | 2,200  | 2,134   |
| 5.750% due 03/25/2037 ^                                       |     | 697    | 682     |
| Total Mortgage-Backed Securities<br>(Cost \$178,371)          |     |        | 188,771 |
| <b>ASSET-BACKED SECURITIES 8.2%</b>                           |     |        |         |
| <b>Bear Stearns Asset-Backed Securities Trust</b>             |     |        |         |
| 6.500% due 10/25/2036   |     | 410    | 340     |
| <b>Countrywide Asset-Backed Certificates</b>                  |     |        |         |
| 0.321% due 12/25/2046   |     | 24,546 | 18,268  |
| <b>Fremont Home Loan Trust</b>                                |     |        |         |
| 0.331% due 01/25/2037   |     | 17,949 | 9,324   |
| <b>Greenpoint Manufactured Housing</b>                        |     |        |         |
| 8.140% due 03/20/2030   |     | 1,767  | 1,816   |
| <b>GSAA Home Equity Trust</b>                                 |     |        |         |
| 5.772% due 11/25/2036 ^                                       |     | 2,351  | 1,429   |
| <b>IndyMac Home Equity Mortgage Loan Asset-Backed Trust</b>   |     |        |         |
| 0.341% due 07/25/2037   |     | 3,883  | 2,430   |
| <b>Lehman XS Trust</b>  |     |        |         |
| 5.345% due 06/24/2046   |     | 5,589  | 4,322   |
| <b>MASTR Asset-Backed Securities Trust</b>                    |     |        |         |
| 5.233% due 11/25/2035   |     | 599    | 607     |
| <b>Mid-State Trust</b>  |     |        |         |
| 6.340% due 10/15/2036   |     | 1,451  | 1,581   |
| <b>Morgan Stanley Mortgage Loan Trust</b>                     |     |        |         |
| 6.250% due 07/25/2047 ^                                       |     | 1,002  | 763     |
| <b>Specialty Underwriting &amp; Residential Finance Trust</b> |     |        |         |
| 0.681% due 09/25/2036   |     | 14,080 | 9,462   |
| Total Asset-Backed Securities<br>(Cost \$50,191)              |     |        | 50,342  |
| <b>SOVEREIGN ISSUES 0.7%</b>                                  |     |        |         |
| <b>Autonomous Community of Valencia</b>                       |     |        |         |
| 2.360% due 09/03/2017   | EUR | 2,500  | 2,840   |

**Republic of Greece Government Bond**

|                       |     |         |       |
|-----------------------|-----|---------|-------|
| 3.800% due 08/08/2017 | JPY | 204,000 | 1,086 |
| 4.750% due 04/17/2019 | EUR | 300     | 248   |

|  |  |  |       |
|--|--|--|-------|
| Total Sovereign Issues<br>(Cost \$4,702) |  |  | 4,174 |
|--|--|--|-------|

## SHARES

**COMMON STOCKS 0.1%****FINANCIALS 0.1%**

|                           |  |         |     |
|---------------------------|--|---------|-----|
| <b>TIG TopCo Ltd. (f)</b> |  | 496,900 | 656 |
|---------------------------|--|---------|-----|

|                                     |  |  |     |
|-------------------------------------|--|--|-----|
| Total Common Stocks<br>(Cost \$737) |  |  | 656 |
|-------------------------------------|--|--|-----|

**PREFERRED SECURITIES 5.9%****BANKING & FINANCE 4.5%****Citigroup Capital**

|                       |  |         |       |
|-----------------------|--|---------|-------|
| 7.875% due 10/30/2040 |  | 260,000 | 6,731 |
|-----------------------|--|---------|-------|

**Farm Credit Bank of Texas**

|                            |  |        |        |
|----------------------------|--|--------|--------|
| 10.000% due 12/15/2020 (e) |  | 16,900 | 21,067 |
|----------------------------|--|--------|--------|

|  |  |  |        |
|--|--|--|--------|
|  |  |  | 27,798 |
|--|--|--|--------|

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

|                       |  |         |       |
|-----------------------|--|---------|-------|
| 5.625% due 06/01/2064 |  | 321,875 | 8,430 |
|-----------------------|--|---------|-------|

|   |  |  |        |
|---|--|--|--------|
| Total Preferred Securities<br>(Cost \$34,011) |  |  | 36,228 |
|---|--|--|--------|

|  |                               |                 |
|--|-------------------------------|-----------------|
| <b>SHORT-TERM INSTRUMENTS 5.5%</b>   |                               |                 |
| <b>REPURCHASE AGREEMENTS 2.7% (g)</b>  |                               | 16,820          |
|  | PRINCIPAL<br>AMOUNT<br>(000s) |                 |
| <b>SHORT-TERM NOTES 0.5%</b>   |                               |                 |
| <b>Federal Home Loan Bank</b>  |                               |                 |
| 0.081% due 07/29/2015  | \$ 2,900                      | 2,900           |
| <b>U.S. TREASURY BILLS 2.3% (d)</b>  |                               |                 |
| 0.044% due 05/14/2015 - 09/17/2015   | 13,941                        | 13,940          |
| Total Short-Term Instruments<br>(Cost \$33,658)  |                               | 33,660          |
| Total Investments in Securities<br>(Cost \$695,021)                                      |                               | 720,267         |
| <b>Total Investments 117.4%</b><br>(Cost \$695,021)                                      | <b>\$</b>                     | <b>720,267</b>  |
| <b>Financial Derivative Instruments (i)(k) 1.0%</b><br>(Cost or Premiums, net \$(1,429)) |                               | <b>6,358</b>    |
| <b>Preferred Shares (15.1%)</b>  |                               | <b>(92,450)</b> |
| <b>Other Assets and Liabilities, net (3.4%)</b>  |                               | <b>(20,822)</b> |
| <b>Net Assets Applicable to Common Shareholders 100.0%</b>                               | <b>\$</b>                     | <b>613,353</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) When-issued security.

(c) Payment in-kind bond security.

(d) Weighted average yield to maturity

(e) Perpetual maturity; date shown, if applicable, represents next contractual call date.

(f) Restricted Securities:

| Issuer Description | Acquisition Date | Cost   | Market Value | Market Value as Percentage of Net Assets |
|--------------------|------------------|--------|--------------|--|
| TIG TopCo Ltd.     | 04/02/2015       | \$ 737 | \$ 656       | 0.11%                                    |

Borrowings and Other Financing Transactions

(g) Repurchase Agreements:

| Party                        | Lending Rate | Settlement Date | Maturity Date | Principal Amount | Collateralized By                         | Collateral Received, at Value | Repurchase Agreements, at Value | Repurchase Agreements, at Value |
|------------------------------|--------------|-----------------|---------------|------------------|---|-------------------------------|---------------------------------|---------------------------------|
|                              | 0.220%       | 04/30/2015      | 05/01/2015    | \$ 10,900        | U.S. Treasury Bonds 3.750% due 11/15/2043 | \$ (11,218)                   | \$ 10,900                       | \$                              |
|                              | 0.000%       | 04/30/2015      | 05/01/2015    | 5,920            | U.S. Treasury Notes 3.500% due 02/15/2018 | (6,042)                       | 5,920                           |                                 |
| <b>Repurchase Agreements</b> |              |                 |               |                  |   | <b>\$ (17,260)</b>            | <b>\$ 16,820</b>                | <b>\$</b>                       |

(1) Includes accrued interest.

**Reverse Repurchase Agreements:**

| Counterparty                               | Borrowing Rate | Borrowing Date | Maturity Date | Amount Borrowed <sup>(2)</sup> | Payable for Reverse Repurchase Agreements |
|--|----------------|----------------|---------------|--------------------------------|---|
| BCY  | (2.250%)       | 02/12/2015     | 02/12/2017    | \$ (1,799)                     | \$ (1,791)                                |
|  | (1.500%)       | 04/01/2015     | 04/01/2017    | (1,828)                        | (1,828)                                   |
|  | (1.500%)       | 04/15/2015     | 04/15/2017    | (2,371)                        | (2,371)                                   |
| MSC  | 0.550%         | 04/30/2015     | 07/30/2015    | (5,227)                        | (5,227)                                   |
| RDR  | 0.420%         | 04/30/2015     | 05/28/2015    | (6,324)                        | (6,324)                                   |
|  | 0.810%         | 02/09/2015     | 07/14/2015    | (2,832)                        | (2,837)                                   |
| <b>Total Reverse Repurchase Agreements</b> |                |                |               |                                | <b>\$ (20,378)</b>                        |

(2) The average amount of borrowings outstanding during the period ended April 30, 2015 was \$42,696 at a weighted average interest rate of 0.435%.

(h) Securities with an aggregate market value of \$22,079 and cash of \$224 has been pledged as collateral under the terms of master agreements as of April 30, 2015.

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

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

| Index/Tranches         | Fixed Deal Receive Rate | Maturity Date | Notional Amount <sup>(2)</sup> | Market Value <sup>(3)</sup> | Variation Margin        |       |           |
|------------------------|-------------------------|---------------|--------------------------------|-----------------------------|-------------------------|-------|-----------|
|                        |                         |               |                                |                             | Unrealized Appreciation | Asset | Liability |
| CDX.HY-24 5-Year Index | 5.000%                  | 06/20/2020    | \$ 26,700                      | \$ 2,058                    | \$ 2                    | \$ 0  | \$ (41)   |

(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) *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.*
- (3) *The prices and resulting values for credit default swap agreements on credit indices serve as an indicator of the current status 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 be 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 indices' credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.*



## Interest Rate Swaps

| Pay/Receive                  | Floating Rate Index  | Fixed Rate | Maturity Date | Notional Amount | Market Value       | Unrealized Appreciation/(Depreciation) |                 |                   | Variation Margin |  |
|------------------------------|----------------------|------------|---------------|-----------------|--------------------|--|-----------------|-------------------|------------------|--|
|                              |                      |            |               |                 |                    | Asset                                  | Liability       | Asset             | Liability        |  |
| Pay                          | 3-Month USD-LIBOR    | 2.000%     | 06/18/2019    | \$ 275,000      | \$ 8,455           | \$ 4,857                               | \$ 0            | \$ (219)          |                  |  |
| Pay                          | 3-Month USD-LIBOR    | 2.250%     | 12/17/2019    | 34,300          | 1,413              | 711                                    | 0               | (29)              |                  |  |
| Receive                      | 3-Month USD-LIBOR    | 3.750%     | 09/17/2043    | 230,900         | (57,116)           | (40,450)                               | 811             | 0                 |                  |  |
| Pay                          | 3-Month USD-LIBOR    | 3.500%     | 06/19/2044    | 236,000         | 52,607             | 60,306                                 | 0               | (827)             |                  |  |
| Receive                      | 3-Month USD-LIBOR    | 3.500%     | 06/17/2045    | 65,400          | (13,745)           | (11,566)                               | 235             | 0                 |                  |  |
| Receive                      | 3-Month USD-LIBOR    | 3.250%     | 06/17/2045    | 78,000          | (12,116)           | (4,400)                                | 272             | 0                 |                  |  |
| Pay                          | 6-Month AUD-BBR-BBSW | 3.000%     | 12/17/2019    | AUD 12,900      | 217                | 24                                     | 0               | (4)               |                  |  |
| Pay                          | 6-Month AUD-BBR-BBSW | 3.500%     | 06/17/2025    | 8,100           | 283                | 82                                     | 0               | (47)              |                  |  |
|                              |                      |            |               |                 | \$ (20,002)        | \$ 9,564                               | \$ 1,318        | \$ (1,126)        |                  |  |
| <b>Total Swap Agreements</b> |                      |            |               |                 | <b>\$ (17,944)</b> | <b>\$ 9,566</b>                        | <b>\$ 1,318</b> | <b>\$ (1,167)</b> |                  |  |

(j) Securities with an aggregate market value of \$6,399 and cash of \$13,161 has been pledged as collateral for exchange-traded and centrally cleared financial derivative instruments as of April 30, 2015.

(k) Financial Derivative Instruments: Over the Counter  
Forward Foreign Currency Contracts:

| Counterparty | Settlement Month | Currency to  |             | Currency to |              | Unrealized Appreciation/(Depreciation) |           |
|--------------|------------------|--------------|-------------|-------------|--------------|--|-----------|
|              |                  | be Delivered | be Received | be Received | be Delivered | Asset                                  | Liability |
| AZD          | 05/2015          | GBP          | 8,265       | \$ 12,267   | \$ 0         | \$ (420)                               |           |
| BOA          | 05/2015          | AUD          | 391         | 297         | 0            | (12)                                   |           |
|              | 05/2015          | BRL          | 47,368      | 15,073      | 0            | (648)                                  |           |
|              | 05/2015          | JPY          | 167,800     | 1,403       | 0            | (2)                                    |           |
|              | 05/2015          | \$           | 15,823      | BRL 47,368  | 0            | (102)                                  |           |
|              | 05/2015          |              | 3,075       | GBP 2,074   | 109          | 0                                      |           |

Edgar Filing: PIMCO Income Strategy Fund II - Form N-Q

|     |         |     |         |     |         |       |       |
|-----|---------|-----|---------|-----|---------|-------|-------|
|     | 06/2015 | EUR | 691     | \$  | 940     | 163   | 0     |
|     | 06/2015 | \$  | 14,940  | BRL | 47,368  | 627   | 0     |
|     | 06/2015 |     | 102     | EUR | 78      | 0     | (14)  |
|     | 07/2015 | BRL | 1,814   | \$  | 656     | 66    | 0     |
|     | 06/2016 | EUR | 1,940   |     | 2,656   | 458   | 0     |
|     | 06/2016 | \$  | 113     | EUR | 84      | 0     | (18)  |
| BPS | 06/2015 | EUR | 316     | \$  | 429     | 74    | 0     |
| BRC | 06/2015 |     | 397     |     | 539     | 93    | 0     |
|     | 06/2015 | \$  | 170     | EUR | 129     | 0     | (25)  |
|     | 06/2016 | EUR | 368     | \$  | 506     | 89    | 0     |
| CBK | 05/2015 | AUD | 182     |     | 142     | 0     | (2)   |
|     | 05/2015 | EUR | 6,551   |     | 7,060   | 0     | (295) |
|     | 05/2015 | GBP | 1,065   |     | 1,568   | 0     | (67)  |
|     | 06/2015 | EUR | 340     |     | 465     | 83    | 0     |
|     | 06/2015 | \$  | 139     | EUR | 105     | 0     | (21)  |
| DUB | 05/2015 | BRL | 67,484  | \$  | 21,748  | 0     | (650) |
|     | 05/2015 | GBP | 1,769   |     | 2,631   | 0     | (84)  |
|     | 05/2015 | \$  | 22,543  | BRL | 67,484  | 0     | (145) |
|     | 05/2015 |     | 31,491  | GBP | 20,565  | 76    | 0     |
|     | 06/2015 | GBP | 20,565  | \$  | 31,485  | 0     | (76)  |
|     | 06/2015 | \$  | 21,554  | BRL | 67,484  | 625   | 0     |
|     | 06/2015 |     | 511     | EUR | 393     | 0     | (69)  |
|     | 07/2015 | BRL | 41,739  | \$  | 15,385  | 1,800 | 0     |
|     | 06/2016 | EUR | 205     |     | 281     | 48    | 0     |
|     | 06/2016 | \$  | 23      | EUR | 17      | 0     | (4)   |
| FBF | 05/2015 | BRL | 76,640  | \$  | 25,241  | 76    | (272) |
|     | 05/2015 | \$  | 23,923  | BRL | 76,640  | 1,514 | 0     |
|     | 05/2015 |     | 11,214  | EUR | 10,200  | 239   | 0     |
|     | 06/2015 | EUR | 575     | \$  | 780     | 134   | 0     |
|     | 06/2015 | \$  | 13,291  | BRL | 41,229  | 259   | 0     |
|     | 07/2015 | BRL | 41,459  | \$  | 15,189  | 1,696 | 0     |
| GLM | 05/2015 | EUR | 550     |     | 592     | 0     | (26)  |
|     | 05/2015 | \$  | 4,723   | EUR | 4,385   | 201   | 0     |
|     | 06/2015 |     | 770     |     | 579     | 0     | (119) |
|     | 07/2015 | BRL | 36,986  | \$  | 13,486  | 1,449 | 0     |
| JPM | 05/2015 |     | 79,443  |     | 26,537  | 170   | 0     |
|     | 05/2015 | \$  | 24,504  | BRL | 79,443  | 1,863 | 0     |
|     | 05/2015 |     | 364     | EUR | 336     | 13    | 0     |
|     | 05/2015 |     | 1,410   | JPY | 167,800 | 0     | (5)   |
|     | 06/2015 | GBP | 1,006   | \$  | 1,552   | 8     | 0     |
|     | 06/2015 | JPY | 167,800 |     | 1,411   | 5     | 0     |
|     | 07/2015 | BRL | 33,175  |     | 12,206  | 1,408 | 0     |
| MSB | 05/2015 | \$  | 15,347  | EUR | 14,043  | 422   | 0     |
|     | 06/2015 | EUR | 14,524  | \$  | 16,011  | 119   | (422) |
|     | 06/2016 |     | 516     |     | 710     | 125   | 0     |
| NAB | 06/2015 |     | 402     |     | 547     | 95    | 0     |
|     | 06/2016 |     | 1,123   |     | 1,542   | 269   | 0     |
|     | 07/2016 |     | 70      |     | 95      | 15    | 0     |
| SCX | 05/2015 | GBP | 11,540  |     | 17,068  | 0     | (646) |
| UAG | 05/2015 | EUR | 21,863  |     | 24,031  | 0     | (518) |
|     | 06/2015 | \$  | 752     | EUR | 636     | 7     | (45)  |

|   |                  |                   |
|---|------------------|-------------------|
| <b>Total Forward Foreign Currency Contracts</b> | <b>\$ 14,398</b> | <b>\$ (4,707)</b> |
|---|------------------|-------------------|

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

| Counterparty | Reference Entity                          | Fixed Deal<br>Receive Rate | Maturity<br>Date | Implied Credit<br>Spread<br>at<br>April 30, 2015 <sup>(2)</sup> | Notional<br>Amount <sup>(3)</sup> | Swap Agreements, at Value |   |       |            |
|--------------|---|----------------------------|------------------|---|-----------------------------------|---------------------------|---|-------|------------|
|              |   |                            |                  |   |                                   | Premium<br>(Received)     | Unrealized<br>Appreciation/<br>Depreciation | Asset | Liability  |
| BPS          | Petrobras<br>International<br>Finance Co. | 1.000%                     | 12/20/2024       | 5.950%  | \$ 1,000                          | \$ (195)                  | \$ (34)                                     | \$ 0  | \$ (229)   |
| BRC          | Abengoa S.A.                              | 5.000%                     | 12/20/2019       | 9.605%  | EUR 1,400                         | (296)                     | 36  | 0     | (260)      |
| GST          | Petrobras<br>International<br>Finance Co. | 1.000%                     | 12/20/2024       | 5.950%  | \$ 1,400                          | (278)                     | (43)  | 0     | (321)      |
| HUS          | Petrobras<br>International<br>Finance Co. | 1.000%                     | 12/20/2019       | 6.138%  | 300                               | (25)                      | (12)  | 0     | (37)       |
|              | Petrobras<br>International<br>Finance Co. | 1.000%                     | 12/20/2024       | 5.950%  | 1,700                             | (353)                     | (37)  | 0     | (390)      |
| MYC          | Petrobras<br>International<br>Finance Co. | 1.000%                     | 12/20/2019       | 6.138%  | 8,700                             | (805)                     | (275)                                       | 0     | (1,080)    |
|              |   |                            |                  |   |                                   | \$ (1,952)                | \$ (365)                                    | \$ 0  | \$ (2,317) |

(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<br>Floating Rate | Floating<br>Rate Index | Fixed Rate | Maturity<br>Date | Notional<br>Amount | Premiums<br>Paid/(Received) | Swap Agreement                              |                 |                   |
|------------------------------|------------------------------|------------------------|------------|------------------|--------------------|-----------------------------|---|-----------------|-------------------|
|                              |                              |                        |            |                  |                    |                             | Unrealized<br>Appreciation/<br>Depreciation | Asset           | Liability         |
| BPS                          | Pay                          | 1-Year<br>BRL-CDI      | 11.500%    | 01/04/2021       | BRL 12,500         | \$ 17                       | \$ (136)                                    | \$ 0            | \$ 0              |
| CBK                          | Pay                          | 1-Year<br>BRL-CDI      | 11.500%    | 01/04/2021       | 49,000             | (47)                        | (421)                                       | 0               |                   |
| DUB                          | Pay                          | 3-Month<br>USD-LIBOR   | 2.000%     | 06/17/2020       | \$ 192,100         | 406                         | 308   | 714             |                   |
| FBF                          | Pay                          | 3-Month<br>USD-LIBOR   | 2.000%     | 06/17/2020       | 34,000             | 73                          | 54  | 127             |                   |
| GLM                          | Pay                          | 3-Month<br>USD-LIBOR   | 2.000%     | 06/17/2020       | 43,000             | 92                          | 68  | 160             |                   |
| MYC                          | Pay                          | 1-Year<br>BRL-CDI      | 11.500%    | 01/04/2021       | BRL 84,300         | 74                          | (879)                                       | 0               |                   |
| UAG                          | Pay                          | 1-Year<br>BRL-CDI      | 11.250%    | 01/04/2021       | 61,900             | (92)                        | (684)                                       | 0               |                   |
|                              |                              |                        |            |                  |                    | \$ 523                      | \$ (1,690)                                  | \$ 1,001        | \$ (1,166)        |
| <b>Total Swap Agreements</b> |                              |                        |            |                  |                    | <b>\$ (1,429)</b>           | <b>\$ (2,055)</b>                           | <b>\$ 1,001</b> | <b>\$ (1,054)</b> |

(l) Securities with an aggregate market value of \$5,436 have been pledged as collateral for financial derivative instruments as governed by International Swaps and Derivatives Association, Inc. master agreements as of April 30, 2015.

#### Fair Value Measurements

The following is a summary of the fair valuations according to the inputs used as of April 30, 2015 in valuing the Fund's assets and liabilities:

| Category and Subcategory                   | Level 1 | Level 2  | Level 3 | Fair Value<br>at 04/30/2015 |
|--|---------|----------|---------|-----------------------------|
| <b>Investments in Securities, at Value</b> |         |          |         |                             |
| Bank Loan Obligations                      | \$ 0    | \$ 4,125 | \$ 0    | \$ 4,125                    |
| Corporate Bonds & Notes                    |         |          |         |                             |
| Banking & Finance                          | 0       | 143,543  | 5,711   | 149,254                     |
| Industrials                                | 0       | 80,332   | 2,008   | 82,340                      |
| Utilities                                  | 0       | 61,431   | 0       | 61,431                      |
| Municipal Bonds & Notes                    |         |          |         |                             |
| California                                 | 0       | 15,514   | 0       | 15,514                      |
| Nebraska                                   | 0       | 7,692    | 0       | 7,692                       |
| Ohio                                       | 0       | 27,839   | 0       | 27,839                      |
| Virginia                                   | 0       | 641      | 0       | 641                         |
| West Virginia                              | 0       | 10,426   | 0       | 10,426                      |
| U.S. Government Agencies                   | 0       | 47,174   | 0       | 47,174                      |
| Mortgage-Backed Securities                 | 0       | 188,771  | 0       | 188,771                     |

Edgar Filing: PIMCO Income Strategy Fund II - Form N-Q

|   |           |             |          |             |
|---|-----------|-------------|----------|-------------|
| Asset-Backed Securities                               | 0         | 50,342      | 0        | 50,342      |
| Sovereign Issues                                      | 0         | 4,174       | 0        | 4,174       |
| <b>Common Stocks</b>                                  |           |             |          |             |
| Financials  | 0         | 0           | 656      | 656         |
| <b>Preferred Securities</b>                           |           |             |          |             |
| Banking & Finance                                     | 6,731     | 21,067      | 0        | 27,798      |
| Utilities   | 8,430     | 0           | 0        | 8,430       |
| <b>Short-Term Instruments</b>                         |           |             |          |             |
| Repurchase Agreements                                 | 0         | 16,820      | 0        | 16,820      |
| Short-Term Notes                                      | 0         | 2,900       | 0        | 2,900       |
| U.S. Treasury Bills                                   | 0         | 13,940      | 0        | 13,940      |
| Total Investments                                     | \$ 15,161 | \$ 696,731  | \$ 8,375 | \$ 720,267  |
| <b>Financial Derivative Instruments - Assets</b>      |           |             |          |             |
| Exchange-traded or centrally cleared                  | 0         | 1,318       | 0        | 1,318       |
| Over the counter                                      | 0         | 15,399      | 0        | 15,399      |
|   | \$ 0      | \$ 16,717   | \$ 0     | \$ 16,717   |
| <b>Financial Derivative Instruments - Liabilities</b> |           |             |          |             |
| Exchange-traded or centrally cleared                  | 0         | (1,167)     | 0        | (1,167)     |
| Over the counter                                      | 0         | (9,192)     | 0        | (9,192)     |
|   | \$ 0      | \$ (10,359) | \$ 0     | \$ (10,359) |
| Totals  | \$ 15,161 | \$ 703,089  | \$ 8,375 | \$ 726,625  |

There were assets and liabilities valued at \$8,430 transferred from Level 2 to Level 1 during the period ended April 30, 2015. There were no significant assets and liabilities transferred from Level 1 to Level 2 during the period ended April 30, 2015.

The following is a reconciliation of the fair valuations using significant unobservable inputs (Level 3) for the Fund during the period ended April 30, 2015:

| Category and Subcategory                   | Beginning Balance at 07/31/2014 | Net Purchases      | Net Sales         | Accrued Discounts (Premiums) | Realized Gain/(Loss) | Unrealized Appreciation/(Depreciation) | Net Change in Transfers in Level 3 | Transfers out of Level 3 | Ending Balance at 04/30/2015 | Net Change in Unrealized Appreciation/(Depreciation) on Investments Held at 04/30/2015 (1) |
|--|---------------------------------|--------------------|-------------------|------------------------------|----------------------|--|------------------------------------|--------------------------|------------------------------|--|
| <b>Investments in Securities, at Value</b> |                                 |                    |                   |                              |                      |  |                                    |                          |                              |  |
| Corporate Bonds & Notes                    |                                 |                    |                   |                              |                      |  |                                    |                          |                              |  |
| Banking & Finance                          | \$ 5,261                        | \$ 0               | \$ (83)           | \$ 2                         | \$ 1                 | \$ 530                                 | \$ 0                               | \$ 0                     | \$ 5,711                     | \$ 0   |
| Industrials                                | 2,076                           | 1,993              | (1,981)           | (26)                         | (25)                 | (29)                                   | 0                                  | 0                        | 2,008                        | 15   |
| Utilities                                  | 2,448                           | 0                  | (2,341)           | (2)                          | 44                   | (149)                                  | 0                                  | 0                        | 0                            | 0  |
| Mortgage-Backed Securities                 | 41,920                          | (42,410)           | 0                 | 0                            | 0                    | 490                                    | 0                                  | 0                        | 0                            | 0  |
| Common Stocks                              |                                 |                    |                   |                              |                      |  |                                    |                          |                              |  |
| Financials                                 | 0                               | 737                | 0                 | 0                            | 0                    | (81)                                   | 0                                  | 0                        | 656                          | (81)   |
| <b>Totals</b>                              | <b>\$ 51,705</b>                | <b>\$ (39,680)</b> | <b>\$ (4,405)</b> | <b>\$ (26)</b>               | <b>\$ 20</b>         | <b>\$ 761</b>                          | <b>\$ 0</b>                        | <b>\$ 0</b>              | <b>\$ 8,375</b>              | <b>\$ (66)</b>   |

The following is a summary of significant unobservable inputs used in the fair valuations of assets and liabilities categorized within Level 3 of the fair value hierarchy:

| Category and Subcategory                   | Ending Balance at 04/30/2015 | Valuation Technique           | Unobservable Inputs | Input Value(s) Unless Noted Otherwise |
|--|------------------------------|-------------------------------|---------------------|---------------------------------------|
| <b>Investments in Securities, at Value</b> |                              |                               |                     |                                       |
| Corporate Bonds & Notes                    |                              |                               |                     |                                       |
| Banking & Finance                          | \$ 5,711                     | Benchmark Pricing             | Base Price          | 115.50                                |
| Industrials                                | 2,008                        | Benchmark Pricing             | Base Price          | 100.00                                |
| Common Stocks                              |                              |                               |                     |                                       |
| Financials                                 | 656                          | Other Valuation Technique (2) |                     |                                       |
| <b>Total</b>                               | <b>\$ 8,375</b>              |                               |                     |                                       |

Edgar Filing: PIMCO Income Strategy Fund II - Form N-Q

- (1) *Any difference between Net Change in Unrealized Appreciation/(Depreciation) and Net Change in Unrealized Appreciation/(Depreciation) on Investments Held at April 30, 2015 may be due to an investment no longer held or categorized as Level 3 at period end.*
- (2) *Includes valuation techniques not defined in the Notes to Financial Statements as the securities valued using such techniques that are not considered significant to the Fund.*

**See Accompanying Notes**



---

## Notes to Financial Statements

### 1. INVESTMENT VALUATION AND FAIR VALUE MEASUREMENTS

**(a) Investment Valuation Policies** The net asset value ( NAV ) of the Fund 's shares is valued as of the close of regular trading (normally 4:00 p.m., Eastern time) (the NYSE Close ) on each day that the New York Stock Exchange ( NYSE ) is open (each a Business Day ). Information that becomes known to the Fund or its agents after the NAV has been calculated on a particular day will not generally be used to retroactively adjust the price of a security or the NAV determined earlier that day.

For purposes of calculating the NAV, portfolio securities and other financial derivative instruments are valued on each Business Day using valuation methods as adopted by the Board of Trustees (the Board ) of the Fund. The Board has formed a Valuation Committee, whose function is to monitor the valuation of portfolio securities and other financial derivative instruments and, as required by the Fund 's valuation policies, determine in good faith the fair market value of the Fund 's portfolio holdings after consideration of all relevant factors, including recommendations provided by the investment manager (the Manager ). The Board has delegated responsibility for applying the valuation methods to the Manager. The Manager monitors the continual appropriateness of methods applied and determines if adjustments should be made in light of market factor changes and events affecting issuers.

Where market quotes are readily available, fair market value is generally determined on the basis of official closing prices or the last reported sales prices, or if no sales or closing prices are reported, equity securities are generally valued at the mean of the last available bid and ask quotations on the exchange or market on which the security is primarily traded, or use other information based on quotes obtained from a quotation reporting system, established market makers, or pricing services. Where market quotes are not readily available, portfolio securities and other financial derivative instruments are valued at fair market value, as determined in good faith by the Board, its Valuation Committee, or the Manager pursuant to instructions from the Board or its Valuation Committee. Market quotes are considered not readily available in circumstances where there is an absence of current or reliable market-based data (e.g., trade information, bid/ask information, or broker quotes), including where events occur after the close of the relevant market, but prior to the NYSE Close, that materially affect the values of the Fund 's securities or financial derivative instruments. In addition, market quotes are considered not readily available when, due to extraordinary circumstances, the exchanges or markets on which securities trade do not open for trading for the entire day and no other market prices are available. The Board has delegated to the Manager, PIMCO, the responsibility for monitoring significant events that may materially affect the values of the Fund 's securities or financial derivative instruments and for determining whether the value of the applicable securities or financial derivative instruments should be re-evaluated in light of such significant events.

The Board has adopted methods for valuing securities and other financial derivative instruments that may require fair valuation under particular circumstances. The Manager monitors the continual appropriateness of fair valuation methods applied and determines if adjustments should be made in light of market changes, events affecting the issuer, or other factors. If the Manager determines that a fair valuation method may no longer be appropriate, another valuation method may be selected, or the Valuation Committee may take any appropriate action in accordance with procedures set forth by the Board. The Board reviews the appropriateness of the valuation methods from time to time, and these methods may be amended or supplemented from time to time by the Valuation Committee.

In circumstances in which daily market quotes are not readily available, investments may be valued pursuant to guidelines established by the Board. In the event that the security or other financial derivative instruments cannot be valued pursuant to the established guidelines, the value of the security or other financial derivative instrument will be determined in good faith by the Valuation Committee, generally based upon recommendations provided by the Manager. These methods may require subjective determinations about the value of a security. While the Fund 's policy is intended to result in a calculation of the Fund 's NAV that fairly reflects security values as of the time of pricing, the

Fund cannot guarantee that values determined by the Board or persons acting at their direction would accurately reflect the price that the Fund could obtain for a security if it were to dispose of that security as of the time of pricing (for instance, in a forced or distressed sale). The prices used by the Fund may differ from the value that would be realized if the securities were sold or settled.

**(b) Fair Value Hierarchy** U.S. GAAP describes fair market value as the price that the Fund would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. It establishes a fair value hierarchy that prioritizes inputs to valuation methods and requires disclosure of the fair value hierarchy, separately for the major category of assets and liabilities, that segregates fair value measurements into levels (Level 1, 2, or 3). The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Levels 1, 2, and 3 of the fair value hierarchy are defined as follows:

Level 1 Inputs using (unadjusted) quoted prices in active markets or exchanges for identical assets or liabilities.

Level 2 Significant other observable inputs, which may include, but are not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market corroborated inputs.

Level 3 Significant unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available, which may include assumptions made by the Board or persons acting at their direction that are used in determining the fair value of investments.

Assets or liabilities categorized as Level 1 or 2 as of period end have been transferred between Levels 1 and 2 since the prior period due to changes in the valuation method utilized in valuing the investments. Transfers from Level 2 to Level 1 are a result of exchange traded products for which quoted prices from an active market were not available (Level 2) and have become available (Level 1). In accordance with the requirements of U.S. GAAP, the amounts of transfers between Levels 1 and 2 and transfers in and out of Level 3, if material, are disclosed in the Notes to Schedule of Investments for the Fund.

For fair valuations using significant unobservable inputs, U.S. GAAP requires a reconciliation of the beginning to ending balances for reported fair values that presents changes attributable to total realized and unrealized gains or losses, purchases and sales, and transfers in or out of the Level 3 category during the period. The end of period timing recognition is used for the transfers between Levels of the Fund's assets and liabilities. Additionally, U.S. GAAP requires quantitative information regarding the significant unobservable inputs used in the determination of fair value of assets or liabilities categorized as Level 3 in the fair value hierarchy. In accordance with the requirements of U.S. GAAP, a fair value hierarchy, and if material, a Level 3 reconciliation and details of significant unobservable inputs, have been included in the Notes to Schedule of Investments for the Fund.

**(c) Valuation Techniques and the Fair Value Hierarchy**

**Level 1 and Level 2 trading assets and trading liabilities, at fair market value** The valuation methods (or techniques ) and significant inputs used in determining the fair market values of portfolio securities or financial derivative instruments categorized as Level 1 and Level 2 of the fair value hierarchy are as follows:

Fixed income securities including corporate, convertible and municipal bonds and notes, U.S. government agencies, U.S. treasury obligations, sovereign issues, bank loans, convertible preferred securities and non-U.S. bonds are

## Edgar Filing: PIMCO Income Strategy Fund II - Form N-Q

normally valued by pricing service providers that use broker-dealer quotations, reported trades or valuation estimates from their internal pricing models. The service providers' internal models use inputs that are observable such as issuer details, interest rates, yield curves, prepayment speeds, credit risks/spreads, default rates and quoted prices for similar assets. Securities that use similar valuation techniques and inputs as described above are categorized as Level 2 of the fair value hierarchy.

Mortgage-related and asset-backed securities are usually issued as separate tranches, or classes, of securities within each deal. These securities are also normally valued by pricing service providers that use broker-dealer quotations or valuation estimates from their internal pricing models. The pricing models for these securities usually consider tranche-level attributes, current market data, estimated cash flows and market-based yield spreads for each tranche, and incorporate deal collateral performance, as available. Mortgage-related and asset-backed securities that use similar valuation techniques and inputs as described above are categorized as Level 2 of the fair value hierarchy.

Investments initially valued in currencies other than the U.S. dollar are converted to the U.S. dollar using exchange rates obtained from pricing service providers. As a result, the NAV of the Fund's shares may be affected by changes in the value of currencies in relation to the U.S. dollar. The value of securities traded in markets outside the United States or denominated in currencies other than the U.S. dollar may be affected significantly on a day that the NYSE is closed. Valuation adjustments may be applied to certain securities that are solely traded on a foreign exchange to account for the market movement between the close of the foreign market and the NYSE Close. These securities are valued using pricing service providers that consider the correlation of the trading patterns of the foreign security to the intraday trading in the U.S. markets for investments. Securities using these valuation adjustments are categorized as Level 2 of the fair value hierarchy. Preferred securities and other equities traded on inactive markets or valued by reference to similar instruments are also categorized as Level 2 of the fair value hierarchy.

Short-term investments having a maturity of 60 days or less and repurchase agreements are generally valued at amortized cost which approximates fair market value. These investments are categorized as Level 2 of the fair value hierarchy.

Equity exchange-traded options and over the counter financial derivative instruments, such as foreign currency contracts, options contracts, or swap agreements, derive their value from underlying asset prices, indices, reference rates, and other inputs or a combination of these factors. These contracts are normally valued by independent pricing service providers. Depending on the product and the terms of the transaction, financial derivative instruments can be valued by a pricing service provider using a series of techniques, including simulation pricing models. The pricing models use inputs that are observed from actively quoted markets such as quoted prices, issuer details, indices, bid/ask spreads, interest rates, implied volatilities, yield curves, dividends and exchange rates. Financial derivative instruments that use similar valuation techniques and inputs as described above are categorized as Level 2 of the fair value hierarchy.

Centrally cleared swaps listed or traded on a multilateral or trade facility platform, such as a registered exchange, are valued at the daily settlement price determined by the respective exchange. For centrally cleared credit default swaps the clearing facility requires its members to provide actionable price levels across complete term structures. These levels, along with external third-party prices, are used to produce daily settlement prices. These securities are categorized as Level 2 of the fair value hierarchy. Centrally cleared interest rate swaps are valued using a pricing model that references the underlying rates including the overnight index swap rate and London Interbank Offered Rate ( LIBOR ) forward rate to produce the daily settlement price. These securities are categorized as Level 2 of the fair value hierarchy.

**Level 3 trading assets and trading liabilities, at fair value** When a fair valuation method is applied by PIMCO that uses significant unobservable inputs, securities will be priced by a method that the Board or persons acting at their direction believe reflects fair value and are categorized as Level 3 of the fair value hierarchy. The valuation techniques and significant inputs used in determining the fair values of portfolio assets and liabilities categorized as Level 3 of the fair value hierarchy are as follows:

Benchmark pricing procedures set the base price of a fixed income security and subsequently adjust the price proportionally to market value changes of a pre-determined security deemed to be comparable in duration, generally a U.S. Treasury or sovereign note based on country of issuance. The base price may be a broker-dealer quote,

transaction price, or an internal value as derived by analysis of market data. The base price of the security may be reset on a periodic basis based on the availability of market data and procedures approved by the Valuation Committee. Significant changes in the unobservable inputs of the benchmark pricing process (the base price) would result in direct and proportional changes in the fair value of the security. These securities are categorized as Level 3 of the fair value hierarchy. The validity of the fair value is reviewed by the Manager on a periodic basis and may be amended as the availability of market data indicates a material change.

The validity of the fair value is reviewed by PIMCO on a periodic basis and may be amended as the availability of market data indicates a material change.

## 2. FEDERAL INCOME TAX MATTERS

The Fund intends to qualify as a regulated investment company under Subchapter M of the Internal Revenue Code (the Code) and distribute all of its taxable income and net realized gains, if applicable, to shareholders. Accordingly, no provision for Federal income taxes has been made.

In accordance with U.S. GAAP, the Manager has reviewed the Fund's tax positions for all open tax years. As of April 30, 2015, the Fund has recorded no liability for net unrecognized tax benefits relating to uncertain income tax positions it has taken or expects to take in future tax returns.

The Fund files U.S. tax returns. While the statute of limitations remains open to examine the Fund's U.S. tax returns filed for the fiscal years ending in 2012-2014, no examinations are in progress or anticipated at this time. The Fund is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

As of April 30, 2015, the aggregate cost and the net unrealized appreciation/(depreciation) of investments for federal income tax purposes are as follows (amounts in thousands):

| Federal Tax<br>Cost | Aggregate Gross<br>Unrealized<br>Appreciation | Aggregate Gross<br>Unrealized<br>(Depreciation) | Net Unrealized<br>Appreciation/<br>(Depreciation)<br>(1) |
|---------------------|---|---|--|
| \$ 695,021          | \$ 34,788                                     | \$ (9,542)                                      | \$ 25,246  |

(1) Primary differences, if any, between book and tax net unrealized appreciation/(depreciation) are attributable to wash sale loss deferrals for federal income tax purposes.

**Glossary: (abbreviations that may be used in the preceding statements)**

(Unaudited)

## Counterparty Abbreviations:

|     |   |     |                             |     |                                       |
|-----|---|-----|-----------------------------|-----|---------------------------------------|
| AZD | Australia and New Zealand Banking Group | FBF | Credit Suisse International | MYC | Morgan Stanley Capital Services, Inc. |
| BCY | Barclays Capital, Inc.                  | GLM | Goldman Sachs Bank USA      | NAB | National Australia Bank Ltd.          |
| BOA | Bank of America N.A.                    | GST | Goldman Sachs International | RDR | RBC Dain Rausher, Inc.                |
| BPS | BNP Paribas S.A.                        | HUS | HSBC Bank USA N.A.          | SCX | Standard Chartered Bank               |
| BRC | Barclays Bank PLC                       | JPM | JPMorgan Chase Bank N.A.    | SSB | State Street Bank and Trust Co.       |
| CBK | Citibank N.A.                           | MSB | Morgan Stanley Bank, N.A.   | UAG | UBS AG Stamford                       |
| DUB | Deutsche Bank AG                        | MSC | Morgan Stanley & Co., Inc.  |     |                                       |

## Currency Abbreviations:

|     |                   |     |               |             |                      |
|-----|-------------------|-----|---------------|-------------|----------------------|
| AUD | Australian Dollar | EUR | Euro          | JPY         | Japanese Yen         |
| BRL | Brazilian Real    | GBP | British Pound | USD (or \$) | United States Dollar |

## Index Abbreviations:

|        |                                       |
|--------|---------------------------------------|
| CDX.HY | Credit Derivatives Index - High Yield |
|--------|---------------------------------------|

## Other Abbreviations:

|      |                      |      |                               |       |                               |
|------|----------------------|------|-------------------------------|-------|-------------------------------|
| ALT  | Alternate Loan Trust | BBSW | Bank Bill Swap Reference Rate | LIBOR | London Interbank Offered Rate |
| BABs | Build America Bonds  | CDI  | Brazil Interbank Deposit Rate | PIK   | Payment-in-Kind               |
| BBR  | Bank Bill Rate       |      |                               |       |                               |

**Item 2. Controls and Procedures**

(a) The principal executive officer and 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 control 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 separate certification for each principal executive officer and principal financial & accounting officer of the registrant as required by Rule 30a-2 under the 1940 Act is attached as Exhibit 99.CERT.

**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.

PIMCO Income Strategy Fund II

By: /s/ Peter G. Strelow  
Peter G. Strelow  
President

Date: June 26, 2015

By: /s/ William G. Galipeau  
William G. Galipeau  
Treasurer

Date: June 26, 2015

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/ Peter G. Strelow  
Peter G. Strelow  
President

Date: June 26, 2015

By: /s/ William G. Galipeau  
William G. Galipeau  
Treasurer

Date: June 26, 2015