

PIMCO INCOME STRATEGY FUND
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

Investment Company Act File Number:	811-21374
Registrant Name:	PIMCO Income Strategy Fund
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

October 31, 2014 (Unaudited)

	PRINCIPAL AMOUNT (000s)	MARKET VALUE (000s)
INVESTMENTS IN SECURITIES 133.5%		
BANK LOAN OBLIGATIONS 0.1%		
Clear Channel Communications, Inc.		
TBD% due 01/30/2019	\$ 400	\$ 379
Total Bank Loan Obligations (Cost \$377)		379
CORPORATE BONDS & NOTES 46.2%		
BANKING & FINANCE 24.4%		
AIG Life Holdings, Inc.		
8.125% due 03/15/2046	2,000	2,823
American International Group, Inc.		
6.250% due 03/15/2087 (f)	7,500	8,338
8.175% due 05/15/2068	693	944
Army Hawaii Family Housing Trust Certificates		
5.524% due 06/15/2050	3,400	3,680
Banco Popular Espanol S.A.		
11.500% due 10/10/2018 (d)	EUR 1,000	1,436
Barclays Bank PLC		
14.000% due 06/15/2019 (d)	GBP 6,300	13,152
Cooperatieve Centrale Raiffeisen-Boerenleenbank BA		
8.400% due 06/29/2017 (d)	\$ 300	331
Credit Agricole S.A.		
6.500% due 06/23/2021 (d)	EUR 200	256
7.500% due 06/23/2026 (d)	GBP 1,600	2,524
7.875% due 01/23/2024 (d)	\$ 1,000	1,035
GSPA Monetization Trust		
6.422% due 10/09/2029	2,428	2,791
LBG Capital PLC		
7.375% due 03/12/2020	EUR 200	270
8.500% due 12/17/2021 (d)	\$ 2,000	2,231
9.125% due 07/15/2020	GBP 534	913
Lloyds Banking Group PLC		
7.625% due 06/27/2023 (d)	3,600	5,831
Millennium Offshore Services Superholdings LLC		
9.500% due 02/15/2018	\$ 2,100	2,100
Nippon Life Insurance Co.		
5.100% due 10/16/2044	800	837
Novo Banco S.A.		

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2.625% due 05/08/2017	EUR	100	114
3.875% due 01/21/2015		100	125
4.750% due 01/15/2018		400	480
5.000% due 04/04/2019		101	117
5.000% due 04/23/2019		311	367
5.000% due 05/14/2019		206	242
5.000% due 05/21/2019		115	134
5.000% due 05/23/2019		115	136
5.875% due 11/09/2015		500	611
Rio Oil Finance Trust			
6.250% due 07/06/2024 (f)	\$	8,200	8,563
Royal Bank of Scotland Group PLC			
7.648% due 09/30/2031 (d)		1,550	1,831
Russian Agricultural Bank OJSC Via RSHB Capital S.A.			
5.298% due 12/27/2017		1,500	1,466
6.299% due 05/15/2017		2,600	2,620
Sberbank of Russia Via SB Capital S.A.			
5.717% due 06/16/2021		3,000	2,938
Vnesheconombank Via VEB Finance PLC			
6.902% due 07/09/2020		5,100	5,228
			74,464
INDUSTRIALS 11.2%			
Anadarko Petroleum Corp.			
7.000% due 11/15/2027		1,600	1,901
Boxer Parent Co., Inc. (9.000% Cash or 9.750% PIK)			
9.000% due 10/15/2019 (b)		1,400	1,263
Continental Airlines Pass-Through Trust			
9.798% due 10/01/2022		1,123	1,255
Forbes Energy Services Ltd.			
9.000% due 06/15/2019		200	194
Ford Motor Co.			
7.700% due 05/15/2097		12,530	16,443
Gulfport Energy Corp.			
7.750% due 11/01/2020		200	205

Hema Bondco BV			
6.250% due 06/15/2019	EUR	100	112
Intrepid Aviation Group Holdings LLC			
6.875% due 02/15/2019	\$	960	955
Perstorp Holding AB			
8.750% due 05/15/2017		1,100	1,122
9.000% due 05/15/2017	EUR	400	516
Pertamina Persero PT			
6.450% due 05/30/2044	\$	7,600	8,113
Schaeffler Holding Finance BV (6.250% Cash or 6.250% PIK)			
6.250% due 11/15/2019 (b)		800	832
Schaeffler Holding Finance BV (6.750% Cash or 6.750% PIK)			
6.750% due 11/15/2022 (b)		600	638
UAL Pass-Through Trust			
10.400% due 05/01/2018		630	696
			34,245
UTILITIES 10.6%			
Bruce Mansfield Unit Pass-Through Trust			
6.850% due 06/01/2034		1,138	1,267
CenturyLink, Inc.			
7.600% due 09/15/2039		1,900	1,929
Dynegy Finance, Inc.			
6.750% due 11/01/2019		460	477
7.375% due 11/01/2022		435	461
7.625% due 11/01/2024		70	74
Gazprom Neft OAO Via GPN Capital S.A.			
4.375% due 09/19/2022		3,000	2,666
6.000% due 11/27/2023		6,200	6,030
Illinois Power Generating Co.			
7.000% due 04/15/2018		800	768
7.950% due 06/01/2032		200	197
Northwestern Bell Telephone			
7.750% due 05/01/2030		7,000	8,064
Red Oak Power LLC			
9.200% due 11/30/2029		5,000	5,575
Rosneft Finance S.A.			
6.625% due 03/20/2017		1,900	1,963
7.500% due 07/18/2016		2,600	2,714
7.875% due 03/13/2018		200	215
			32,400
Total Corporate Bonds & Notes			141,109
(Cost \$132,493)			

MUNICIPAL BONDS & NOTES 6.9%**CALIFORNIA 1.5%**

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

600 663

7.500% due 10/01/2030

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

7.942% due 10/01/2038 3,600 4,036

4,699

ILLINOIS 2.2%

**Chicago, Illinois General Obligation Bonds, (BABs),
Series 2010**

6,000 6,796

7.517% due 01/01/2040

NEBRASKA 2.4%

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

7.242% due 01/01/2041 6,400 7,300

NEW JERSEY 0.1%

**Tobacco Settlement Financing Corp., New Jersey
Revenue Bonds, Series 2007**

5.000% due 06/01/2041 200 150

VIRGINIA 0.1%

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

6.706% due 06/01/2046 400 296

WEST VIRGINIA 0.6%

**Tobacco Settlement Finance Authority, West Virginia
Revenue Bonds,
Series 2007**

7.467% due 06/01/2047 2,000 1,704

Total Municipal Bonds & Notes 20,945
(Cost \$19,318)

U.S. GOVERNMENT AGENCIES 32.5%

Fannie Mae

3.500% due 12/25/2032 - 01/25/2043 (a) 1,810 278

4.000% due 11/25/2042 - 01/25/2043 (a) 9,824 1,765

5.217% due 12/25/2042 506 401

5.218% due 07/25/2043	1,309	1,059
5.772% due 01/25/2043	1,892	1,493
5.998% due 11/25/2042 - 02/25/2043 (a)	21,709	5,044
6.448% due 04/25/2041 (a)	6,660	1,134
9.796% due 06/25/2043	4,222	4,445
11.861% due 06/25/2043	4,451	4,704
14.543% due 12/25/2040	132	177
Fannie Mae Strips		
3.500% due 02/25/2043 (a)	32,418	6,980
Freddie Mac		
2.500% due 10/15/2027 - 01/15/2028 (a)	113,862	10,941
3.500% due 05/15/2039 (a)(f)	78,758	11,962
9.554% due 01/15/2041 (f)	12,614	12,728
9.695% due 11/15/2040	580	598
11.593% due 08/15/2043	2,046	2,160
11.726% due 03/15/2044 (f)	12,755	13,593
Ginnie Mae		
7.207% due 05/16/2041 (f)	14,714	15,017
8.591% due 08/20/2039	4,100	4,696