

PIMCO Income Strategy Fund II  
Form PREC14A  
June 20, 2014

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT  
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934  
(Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Joint Proxy Statement

Definitive Additional Materials

Soliciting Material Under Rule 14a-12

PIMCO Income Strategy Fund  
PIMCO Income Strategy Fund II

(Name of Registrant as Specified in its Charter)

Brigade Leveraged Capital Structures Fund Ltd.

Brigade Capital Management, LLC  
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(4) Proposed maximum aggregate value of transaction:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:



[PRELIMINARY COPY - SUBJECT TO COMPLETION DATED JUNE 20, 2014]

BRIGADE LEVERAGED CAPITAL STRUCTURES FUND LTD.  
AND  
BRIGADE CAPITAL MANAGEMENT, LLC

399 Park Avenue, Suite 1600, New York, NY 10022

[ ], 2014

Dear Fellow Preferred Shareholder:

Brigade Leveraged Capital Structures Fund Ltd. ("Brigade LCSF") and Brigade Capital Management, LLC ("Brigade CM" and, together with Brigade LCSF, "Brigade") are beneficial owners of Auction Rate Preferred Shares, par value \$.00001 per share (the "Preferred Shares") of PIMCO Income Strategy Fund ("PFL") and PIMCO Income Strategy Fund II ("PFN" and, together with PFL, the "Funds"). As of [ ], 2014, we beneficially owned 1,037 PFL Preferred Shares and 1,669 PFN Preferred Shares (45 of which are beneficially owned by a managed account of Brigade CM and 5 of which are beneficially owned by a private investment fund managed by Brigade CM), making us the second largest holder of Preferred Shares of each of the Funds. We believe that the Funds' current boards of trustees (except Alan Miller) (each, the "Board" and, together, the "Boards") have not acted in the best interests of the shareholders as discussed in further detail in the attached proxy statement. We are therefore seeking your support at the annual meeting of shareholders of each Fund (the "Annual Meeting") scheduled to be held at the offices of Allianz Global Investors Fund Management LLC, at 1633 Broadway, between West 50th and West 51st Streets, 42nd Floor, New York, New York 10019 on July 31, 2014 at 10:30 a.m., Eastern Time, for the following matters:

1. to vote "FOR" the election of Alan Bruce Miller ("Mr. Miller") to serve as a Class I Preferred Shares trustee of PFL, to hold office for the term indicated and until his successor shall have been elected and qualified;
2. to vote "FOR" the election of Marti Murray ("Ms. Murray", each of Ms. Murray and Mr. Miller being a "Nominee" and, together, the "Nominees") to serve as a Class II Preferred Shares trustee of PFL, to hold office for the term indicated and until her successor shall have been elected and qualified;
3. to vote "FOR" the election of Ms. Murray to serve as a Class I Preferred Shares trustee of PFN, to hold office for the term indicated and until her successor shall have been elected and qualified;
4. to grant authority to vote for up to all of the Funds' nominees, as directed by you, other than Alan Rappaport (the Class I Preferred Shares trustee nominee of the PFL Board) and Bradford K. Gallagher (the Class II Preferred Shares trustee nominee of the PFL Board and the Class I Preferred Shares trustee nominee of the PFN Board), each to hold office for the term indicated and until his or her successor shall have been elected and qualified; and
5. to transact such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof.

Through the attached proxy statement, Brigade is soliciting proxies to elect not only the Nominees, but also up to all of the candidates who have been nominated by PFL and PFN, as directed by each Preferred Shareholder, other than Alan Rappaport and Bradford K. Gallagher. This enables you to use the enclosed proxy card to vote for the total

number of trustees up for election at the Annual Meeting. There is no assurance that any of the Funds' nominees will serve as trustees if the Nominees are elected.

Brigade is not seeking control of the Board. If elected, the Nominees, together with Mr. Miller in his capacity as a Preferred Shares trustee of PFN, a position to which he was elected at last year's annual meeting, will constitute only two of the trustees on the PFN Board and only two of the trustees on the PFL Board. There is no guarantee that the Nominees will be able to convince the Boards to approve a redemption of or offer to repurchase the Preferred Shares. However, Brigade believes that the Nominees' election to the Boards should send a strong message to the remaining incumbent trustees not previously nominated by Brigade that the holders of Preferred Shares are not satisfied with such trustees' management of the Funds and their treatment of the holders of preferred shares.

Brigade urges you to carefully consider the information contained in the attached proxy statement and then support its efforts by signing, dating, and returning the enclosed GREEN proxy card today. If you have already voted for the trustees you have every right to change your vote by signing, dating, and returning a later dated GREEN proxy card or by voting in person at the Annual Meeting. The attached proxy statement and the enclosed GREEN proxy card are first being furnished to the holders of preferred shares on or about [ ], 2014.

Thank you for your support,

/s/ Donald E. Morgan, III  
Donald E. Morgan, III, Director of Brigade  
Leveraged Capital Structures Fund Ltd. and  
Managing Member of Brigade Capital  
Management, LLC

If you have any questions, require assistance in voting your GREEN proxy card, or need additional copies of Brigade's proxy materials, please call the firm assisting us in the solicitation of proxies, Alliance Advisors, LLC, toll free at 855-973-0092.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting  
The attached proxy statement and GREEN proxy card are available at the SEC's web site at [www.sec.gov](http://www.sec.gov) or by calling the firm assisting us in the solicitation of proxies, Alliance Advisors, LLC, toll free at 855-973-0092, banks and brokers at 973-873-7710, or by contacting a representative of Alliance Advisors, LLC at the following address: 200 Broadacres Drive, 3rd floor, Bloomfield, NJ 07003.

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