Pioneer Floating Rate Fund

Performance Analysis & Commentary | March 2018

Fund Ticker Symbols: **FLARX** (Class A); **FLYRX** (Class Y) **amundipioneer.com**

First Quarter Review

- The Fund's Class A shares returned 1.02% at net asset value in the first quarter, and Class Y shares returned 1.10%, while the Fund's benchmark, the Standard & Poor's/Loan Syndications Trading Association (S&P/LSTA) Leveraged Performing Loan Index, returned 1.53%.
- Security selection results within telecommunications and retail as well as portfolio underweights to those sectors detracted from the Fund's benchmark-relative performance in the first quarter. As lower-quality loans outperformed during the quarter, the portfolio's high-quality bias was another detractor from relative returns, given the Fund's natural underweight to loans rated CCC and below.
- The Fund's out-of-benchmark exposures aided relative performance during the three-month period, with a small allocation to floating-rate, insurance-linked "catastrophe" bonds the largest single contributor.
- We are broadly constructive to the loan market. On the supply side, we expect continued paydowns as well as an increase in issuer-friendly repricing terms, in the absence of meaningful merger-and-acquisition volumes.

The Fund's benchmark, the S&P/LSTA Leveraged Performing Loan Index, returned 1.53% for the first quarter of 2018. Lower-quality loans outperformed higher-quality loans, with CCC-rated loans, which returned 2.75%, the top performers. Loans rated B and BB returned 1.49% and 1.17%, respectively, for the three-month period. Defaulted names returned –0.81%, resulting in the S&P/LSTA Leveraged Performing Loan Index outperforming the S&P/LSTA Leveraged Loan Index by eight basis points, or 0.08%, for the quarter.

The S&P/LSTA Performing Loan Index closed the quarter with an average price of $98.80, a slight increase from $98.11 at the end of the fourth quarter of 2017. The US leveraged loan market saw its average spread continue to trend narrower from the end of last year, as the average spread stood at ICE LIBOR (ICE London Interbank Offered Rate) +381 basis points (bps) as of December 31, 2017, and decreased to ICE LIBOR +357 bps by the end of the first quarter. (A basis point is equal to 1/100th of a percentage point.) Some of the spread differential was due to base rates changing as ICE LIBOR increased. (Loan spreads are the interest rates over and above the ICE LIBOR rate charged to borrowers by banks.) Meanwhile, the yield-to-maturity increased by 12 bps, to 5.31%.

Fundamentals remained strong in the loan market this quarter, while default rates remained relatively low, at 1.93% (issuer based) as of March 31, 2018. Loan defaults have remained below 2.00% since the end of 2016. We did see a slight uptick in defaults this quarter versus the fourth quarter of 2017, following the default of iHeart Radio. Overall, low default rates can be attributed to the high level of refinancings, which has pushed the maturity wall for loans further out. The weighted average maturity in the loan market remains above 5.00 years, at 5.19, which is the longest it's been since December 2014.

ICE LIBOR rates continued to tick up this quarter as the US Federal Reserve (the Fed) hiked interest rates again in March. The one-month ICE LIBOR closed the first quarter at 1.88%, while the three-month ICE LIBOR was at 2.31%. As the spread between the one-month and three-month ICE LIBOR rates has widened, we have seen upwards of 70% of new loans priced to the one-month ICE LIBOR.

Sector Allocation and Security Selection

The Fund posted a positive return in the first quarter, but underperformed its benchmark. Security selection results within telecommunications and retail as well as portfolio underweights to those sectors detracted from the Fund's benchmark-relative performance in the first quarter. As lower-quality loans outperformed during the quarter, the portfolio's high-quality bias was another detractor from relative returns, given the Fund's natural underweight to loans rated CCC and below.

The Fund's out-of-benchmark exposures aided relative performance during the three-month period, with a small allocation to floating-rate, insurance-linked "catastrophe" bonds the largest single contributor. The Fund's allocation to corporate high-yield securities was another positive contributor to relative returns, despite the fact that high-yield corporates underperformed loans during the three-month period.

With regard to individual security selection, the Fund's most positive results were found among holdings within the aerospace & defense and surface transportation sectors.

Although defaults picked up slightly in the loan market, the Fund did not experience a default during the first quarter.

Current Outlook and Positioning

We are broadly constructive to the loan market. On the supply side, we expect continued paydowns as well as an increase in issuer-friendly repricing terms, in the absence of meaningful merger-and-acquisition volumes. We believe we may see some additional supply reduction from bond refinancings, but we expect to see continued demand for the loan asset class in the wake of the Fed's increases in the federal funds rate. The market is currently pricing in two more federal funds rate hikes this year, in June and September.

With regard to market demand for loans, we think the reduction in risk-retention rules should lead to more collateralized loan obligation (CLO) issuance later in 2018.

The loan market is currently in a coupon-clipping environment, and we continue to believe loans may create solid opportunities for income-oriented investors, despite the recent increase in loan prices, as softness in market values often provides opportunities. Repricings continue to be a concern, however, as they remain a significant source of new-loan issuance.

We will continue to be cautious about where we put the Fund's money to work, and do not want to buy at a premium only to see the loan called away.

Loan default rates remain well below historical averages, and we think those rates should remain stable, but we anticipate defaults to increase in the retail sector due to consumers' continued migration to online shopping. As a result, the Fund remains underweight in retail, which is also an asset-lite sector. In addition, the Fund is underweight to technology, a sector that has long-term technical risk. Meanwhile, the Fund continues to be overweight asset-intensive industries such as building materials and industrial equipment.

With much of the loan universe priced near par (face) value, thus resulting in an asymmetrical return in the event of a default, we believe the key going forward is to avoid "blowups." We believe the Fund is well positioned, given the portfolio's biases toward higher-quality loans and its overweights to asset-intensive industries.

Performance Review

Pioneer Floating Rate Fund's Class A shares returned 1.02% at net asset value in the first quarter, and Class Y shares returned 1.10%, while the Fund's benchmark, the Standard & Poor's/Loan Syndications Trading Association (S&P/LSTA) Leveraged Performing Loan Index, returned 1.53%.

Average Annual Total Return (Class A shares)

March 31, 2018	(at NAV)	(at POP)	Pioneer Floating Rate Fund Linked Benchmark*	S&P/LSTA Leveraged Performing Loan Index
1 year	3.37%	–1.28%	4.63%	4.63%
3 years	3.32%	1.76%	4.49%	4.57%
5 years	2.99%	2.04%	4.10%	4.20%
10 years	4.48%	4.01%	5.64%	5.85%

Average Annual Total Return (Class Y shares)

March 31, 2018	(at NAV)	Pioneer Floating Rate Fund Linked Benchmark*	S&P/LSTA Leveraged Performing Loan Index
1 year	3.54%	4.63%	4.63%
3 years	3.63%	4.49%	4.57%
5 years	3.31%	4.10%	4.20%
10 years	4.78%	5.64%	5.85%

Expense Ratio (As of prospectus dated March 1, 2018)

Class A shares: Gross, 1.03%

Class Y shares: Gross, 0.80%; Net 0.71

Call 1-800-225-6292 or visit amundipioneer.com for the most recent month-end performance results. Current performance may be lower or higher than the performance data quoted.

The performance data quoted represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate, and shares, when redeemed, may be worth more or less than their original cost.

NAV results represent the percent change in net asset value per share. Returns would have been lower had sales charges been reflected. POP returns reflect deduction of the maximum 4.50% sales charge at the beginning of the period. All results are historical and assume the reinvestment of dividends and capital gains. Other share classes are available for which performance expenses will differ.

Class Y shares are not subject to sales charges and are available for limited groups of eligible investors, including institutional investors.

The net expense ratio reflects the contractual expense limitation currently in effect through March 1, 2019, for Class Y shares. There can be no assurance that Amundi Pioneer will extend the expense limitation beyond such time. Please see the prospectus and financial statements for more information.

Performance results reflect any applicable expense waivers in effect during the periods shown. Without such waivers fund performance would be lower. Waivers may not be in effect for all funds. Certain fee waivers are contractual through a specified period. Otherwise, fee waivers can be rescinded at any time. See the prospectus for more information.

A Word about Risk:

Debt securities rated below investment grade are commonly referred to as "junk bonds" and are considered speculative. Below-investment-grade debt securities involve greater risk of loss, are subject to greater price volatility and are less liquid, especially during periods of economic uncertainty or change, than higher-rated debt securities. The Fund may invest in high-yield securities of any rating, including securities that are in default at the time of purchase.

Securities with floating interest rates generally are less sensitive to interest-rate changes but may decline in value if their interest rates do not rise as much, or as quickly, as prevailing interest rates. Unlike fixed-rate securities, floating-rate securities generally will not increase in value if interest rates decline. Changes in interest rates also will affect the amount of interest income the Fund earns on its floating-rate investments.

Investing in foreign and/or emerging market securities involves risks relating to interest rates, currency exchange rates, economic, and political conditions.

These risks may increase share price volatility.

Individuals are encouraged to seek advice from their financial, legal, tax, and other appropriate advisers before making any investment or financial decisions or purchasing any financial, securities or investment-related product or service, including any product or service described in these materials. Amundi Pioneer does not provide investment advice or investment recommendations

***Note:** The Bloomberg Barclays High Yield Loans Performing Index (the Bloomberg Barclays Index) was the Fund's benchmark from inception through 9/30/16, when the Bloomberg Barclays Index ceased. As of 10/1/16, the Fund's benchmark is the Standard & Poor's/Loan Syndications & Trading Association (S&P/LSTA) Leveraged Performing Loan Index (the S&P/LSTA Index). Both the Bloomberg Barclays Index and the S&P/LSTA Index provide, or provided broad and comprehensive total return metrics of the U.S. universe of syndicated term loans. Ten-year, five-year, three-year, and one-year "linked" benchmark returns shown above represent the combination of the Bloomberg Barclays Index's returns from 10/1/07 through 9/30/16, and the S&P/LSTA Index's returns from 10/1/16 through the most recent period as indicated.

Top 10 Holdings

		% of Portfolio as of March 31, 2018
1.	United States Treasury Floating Rate Note, 4/30/18	3.82%
2.	US Treasury Bills, 0.00%, 4/19/18	1.47%
3.	US Treasury Bills, 0.00%, 4/26/18	0.98%
4.	US Treasury Bills, 0.00%, 4/12/18	0.98%
5.	Charter Communications Operating, 1st Lien, TL-B, L+3.00%, 4/15/25	0.87%
6.	Post Holdings, Series A Incremental Term Loan, 5/17/24	0.51%
7.	Scientific Games International, 1st Lien, TL-B5, L+2.75%, 8/14/24	0.49%
8.	Air Canada, 1st Lien, TL-B, L+2.00%, 10/6/23	0.46%
9.	American Airlines, 2017 Replacement Term Loan, 6/27/20	0.45%
10.	Zekelman Industries, Term Loan, 6/8/21	0.43%

The portfolio is actively managed, and current holdings may be different. The holdings listed should not be considered recommendations to buy or sell any security listed.

Before investing, consider the Fund's investment objectives, risks, charges and expenses. Contact your advisor or Amundi Pioneer Asset Management for a prospectus or summary prospectus containing this information. Read it carefully.

Individuals are encouraged to seek advice from their financial, legal, tax, and other appropriate advisers before making any investment or financial decisions or purchasing any financial, securities or investment-related product or service, including any product or service described in these materials. Amundi Pioneer does not provide investment advice or investment recommendations.