Pioneer Long/Short Opportunistic Credit Fund

Performance Analysis & Commentary | March 2016

Fund Ticker Symbols: **LRCAX** (Class A); **LRCYX** (Class Y) **us.pioneerinvestments.com**

First Quarter Review

- The Fund's Class A shares returned −3.29% at net asset value in the first quarter, and Class Y shares returned −3.27%, while the Fund's benchmark, the Bank of America Merrill Lynch (BofA ML) 3-Month U.S. Treasury Bill Index, returned 0.07%.
- Directional exposures to European high yield and commercial mortgage-backed securities (CMBS), global macro exposures to developed and emerging markets, both from an FX (currency) and interest-rate perspective, and global long/short exposures to forward curve trading and capital structure arbitrage all detracted from the Fund's performance in the first quarter.
- On the positive side, the Fund's US investment-grade, US high-yield, and insurance-linked securities (ILS) positioning in the directional portion of the portfolio, and structural curve trading and credit index tranche exposures in the global long/short portion of the portfolio contributed to performance.

The first quarter featured a tale of two markets: a sharp flight to quality and market sell-off took hold from January until mid-February; after that, corporates, equities, and emerging markets securities staged a dramatic rally, generally recovering all of their underperformance of the first several weeks of 2016, and then some. At the beginning of the year, on the heels of the Federal Reserve's (the Fed's) first rate hike since 2006, investors became increasingly concerned with falling oil prices, slumping global economic growth as well as lower growth in China, weak US manufacturing data, and weak bank profitability and capital adequacy. All of those factors fed into fears about a possible recession in the US.

In the middle of the first quarter, however, markets began to turn up, for several reasons, including an apparent bottoming of oil prices as OPEC (Organization of Petroleum Exporting Countries) and non-OPEC members seemed near an agreement on a production freeze; better-than-expected US employment and manufacturing data; and supportive monetary policies from central banks around the globe.

The market rally strengthened in March on the back of further monetary and fiscal stimulus by central banks and continued strength in US economic data reports. In addition, China announced plans to, among other things, increase its deficit to 3% while also cutting corporate taxes to stimulate growth. The European Central Bank (ECB) then took up the baton, launching its broad-based stimulus package that reduced key interest rates, increased and extended the duration of its monthly asset purchases, which now include investment-grade corporates among eligible assets, and introduced a new long-term bank lending policy. The Fed followed up with its unexpectedly dovish announcement that signaled a median expectation of only two rate increases – down from an initial estimate of four – during 2016, while issuing a reduced inflation forecast.

US Treasury yields ended the first quarter significantly below their year-end 2015 levels, with intermediate and long Treasury yields falling the most, a reflection of lower real (inflation-adjusted) yields and modestly increased inflation expectations. The 10-year Treasury yield declined from 2.28% to 1.78% this quarter, while the 30-year yield declined from 3.01% to 2.62%. Treasury Inflation Protected Securities (TIPS) outperformed Treasuries over the first quarter. TIPS break-evens, which reflect inflation expectations, narrowed to 15-year lows (excluding 2008) at the beginning of February, in sympathy with falling oil prices. The break-evens then widened strongly as commodity prices rose and US economic data surprised to the upside, ending the quarter modestly higher.

Agency mortgage-backed securities (MBS) underperformed Treasuries in the first quarter, returning 2.00%, for an excess return of -0.4% (excess returns represent the return earned by a "risky" investment, such as high-yield bonds, compared with the return of investments perceived by the market to be "risk-free," such as Treasuries.) Non-agency MBS, as reflected by the floating-rate ABS (asset-backed securities) home equity market, returned -0.40% this quarter, while CMBS, which tend to have a higher correlation to high-yield corporate bonds, outperformed Treasuries, returning 3.60% (0.6% excess return). (Correlation is the degree to which certain types of assets or asset class prices have moved in relation to one another. Correlation is expressed by a coefficient that ranges from -1, which means the assets never move together, through 0, which means they are absolutely independent of one another, to 1, which means they always move together.)

US investment-grade corporates returned 4.00% over the three-month period, for an excess return of 0.2%, as the option-adjusted spread fell slightly, from 165 basis points (bps) to 163 bps (a basis point is equal to 0.01%; credit spreads are commonly defined as the differences in yield between Treasuries and other types of fixed-income securities with similar maturities). Industrials were the best-performing issuers this quarter, rising by 4.7% (0.8% excess return), as metals and mining as well as energy credits boosted returns. Midstream energy issuers enjoyed the strongest performance within the energy segment. Conversely, financials underperformed, returning 2.3% in the first quarter (-0.9% excess return).

Performance Summary with Outlook and Positioning

The Fund's returns were negative in the first quarter. Within the Fund's directional strategies, while the US investment-grade, US high-yield, and ILS positioning aided performance, portfolio exposures to European high yield and CMBS detracted from performance during the quarter.

Within the Fund's global macro strategy, the portfolio's exposures to developed and emerging markets, both from an FX (currency) and interest-rate perspective, had a negative effect on performance over the three-month period.

Finally, within the Fund's global long/short strategy, while structural curve trading and credit index tranche exposures benefited performance during the quarter, the portfolio's forward curve trading and capital structure arbitrage exposures detracted from returns. (Credit-Curve Trading is a strategy that involves taking a view on the relative steepness, or slope, of a corporate issuer or an entire market's maturity curve. Arbitrage trading is the simultaneous buying and selling of different securities in a company's capital structure, such as its long-term debt, specific short-term debt, common equities, and preferred equities.)

During the first quarter, we made two notable shifts in the portfolio. Within the Fund's directional strategies, given our view of relative valuation, we shifted from securitized products, such as CMBS, residential MBS, and ABS, into US investment-grade and high-yield credits. The Fund's US investment-grade and high-yield exposures were concentrated in the financials sector, which we believe will benefit from longer-term improving capital ratios, good balance sheet liquidity, and a regulatory environment that we believe is likely to benefit bondholders.

Within the Fund's global macro strategies, we also made certain shifts. We entered the first quarter with the view that the US dollar (USD) would strengthen due to diverging monetary policies coming from the G4 (Germany, Brazil, Japan, and India). This view unfolded as planned in January, but quickly reversed as the Fed signaled a more dovish stance than previously anticipated. As a result, we took off the portfolio's long USD positions and instead increased emerging markets risk, as a probable Fed delay on further interest-rate hikes as well as excess liquidity provided by the ECB and Bank of Japan will likely be supportive.

Performance Review

Pioneer Long/Short Opportunistic Credit Fund's Class A shares returned −3.29% at net asset value in the first quarter, and Class Y shares returned −3.27%, while the Fund's benchmark, the Bank of America Merrill Lynch (BofA ML) 3-Month U.S. Treasury Bill Index, returned 0.07%.

Average Annual Total Return (Class A shares)

March 31, 2016	(at NAV)	(at POP)	BofA ML U.S. Treasury Bill Total Return Index
1 year	−9.13%	−13.22%	0.12%
Since inception (12/30/2013)	−2.83%	−4.80%	0.07%

Average Annual Total Return (Class Y shares)

March 31, 2016	(at NAV)	BofA ML U.S. Treasury Bill Total Return Index
1 year	−8.92%	0.12%
Since inception (12/30/2013)	−2.62%	0.07%

Expense Ratios (As of prospectus dated December 31, 2015)

Class A shares: Gross, 2.44%

Class Y shares: Gross, 2.11%

Call 1-800-225-6292 or visit us.pioneerinvestments.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 maximum 4.50% sales charge. All results are historical and assume the reinvestment of dividends and capital gains. Other share classes are available for which performance and expenses will differ.

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

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 and financial statements for more information.

A Word about Risk:

All investments are subject to risk, including the possible loss of principal. **The portfolio may invest in derivative securities**, such as options, futures, inverse floating rate obligations, and swaps, among others, which can be illiquid, may disproportionately increase losses, and have a potentially large impact on the performance of the portfolio. **The Fund may take short positions**, which involves leverage of its assets and presents additional risks. **The Fund may invest in credit default swaps**, which may in some cases be illiquid, and they increase credit risk since the fund has exposure to both the issuer of the referenced obligation and the counterparty to the credit default swap. **The Fund employs leverage**, which increases the volatility of investment returns and subjects the Fund to magnified losses. **Investments in fixed income securities involve interest rate, credit, inflation, and reinvestment risks.** When interest rates rise, the prices of fixed income securities in the fund will generally fall. Conversely, when interest rates fall, the prices of fixed income securities in the fund will generally rise. Investments in the fund are subject to possible loss due to the financial failure of issuers of underlying securities and their inability to meet their debt obligations. **Investments in high-yield or lower rated securities** are subject to greater-than-average price volatility, illiquidity and possibility of default. **Prepayment risk** is the chance that an issuer may exercise its right to prepay its security, if falling interest rates prompt the issuer to do so. Forced to reinvest the unanticipated proceeds at lower interest rates, the fund would experience a decline in income and lose the opportunity for additional price appreciation. **The securities issued by U.S. Government sponsored entities** (e.g., FNMA, Freddie Mac) are neither guaranteed nor issued by the U.S. Government. **The portfolio may invest in mortgage-backed securities**, which during times of fluctuating interest rates may increase or decrease more than other fixed-income securities. Mortgage-backed securities are also subject to pre-payments. **Investing in foreign and/or emerging markets securities** involves risks relating to interest rates, currency exchange rates, economic, and political conditions. **The Fund may invest in event-linked bonds**, on which the return of principal and the payment of interest are contingent on the non-occurrence of a pre-defined "trigger" event, such as a hurricane or an earthquake of a specific magnitude. **The Fund may invest in floating rate loans**; the value of collateral, if any, securing a floating rate loan can decline or may be insufficient to meet the issuer's obligations or may be difficult to liquidate. **The Fund is subject to currency risk**, meaning that the fund could experience losses based on changes in the exchange rate between non-U.S. currencies and the U.S. dollar. **The Fund is non-diversified**, which means that it can invest a large percentage of its assets in the securities of any one or more issuers. This increases the Fund's potential risk exposure. These risks may increase share price volatility.

There is no assurance that these and other strategies used by the Fund will be successful. Please see the prospectus for a more complete discussion of the Fund's risks.

The Bank of America Merrill Lynch (BofA ML) 3-month US Treasury Bill Index is an unmanaged market index of U.S. Treasury securities maturing in 90 days; it assumes reinvestment of all income. Index returns are calculated monthly, assume reinvestment of dividends and, unlike Fund returns, do not reflect any fees, expenses or sales charges. It is not possible to invest directly in an index.

The views expressed in this commentary are those of the portfolio manager, and are subject to change at any time. These views do not necessarily reflect the views of Pioneer or others in the Pioneer organization, and should not be relied upon as investment advice, as securities recommendations, or as an indication of trading intent on behalf of any Pioneer investment product.

Top 10 Holdings

		% of Portfolio as of March 31, 2016
1.	U.S. Treasury Bills, 0.00%, 4/28/16	9.31%
2.	United States Treasury Floating Rate Note, 4/30/17	6.13%
3.	United States Treasury Floating Rate Note, 1/31/17	6.12%
4.	U.S. Treasury Floating Rate Note, 7/31/16	6.12%
5.	United States Treasury Floating Rate Note, 10/31/16	6.12%
6.	United States Treasury Floating Rate Note, 4/30/16	5.85%
7.	United States Treasury Floating Rate Note,10/31/17	4.64%
8.	United States Treasury Floating Rate Note, 7/31/17	4.46%
9.	Federal Home Loan Bank Discount Note, 0.00%, 4/13/16	4.08%
10.	Glencore Funding, 1.70%, 5/27/16 (144A)	3.19%

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 Pioneer Investments for a prospectus or summary prospectus containing this information. Read it carefully.

Neither Pioneer, nor its representatives are legal or tax advisors. In addition, Pioneer does not provide advice or recommendations. The investments you choose should correspond to your needs, goals, and risk tolerance. For assistance in determining your financial situation, please consult an investment professional.