

PIONEER HIGH INCOME TRUST

Form N-2

April 20, 2009

As filed with the Securities and Exchange Commission on April 17, 2009

1933 ACT FILE NO. 33-_____

1940 ACT FILE NO. 811-21043

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U.S. SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM N-2

(Check appropriate box or boxes)

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

PRE-EFFECTIVE AMENDMENT NO. _____

POST-EFFECTIVE AMENDMENT NO. _____

AND

REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY ACT OF

1940

AMENDMENT NO. 10

PIONEER HIGH INCOME TRUST

(Exact Name of Registrant as Specified in Charter)

60 State Street, Boston, MA 02109

Address of Principal Executive Offices (Number, Street, City, State, Zip Code)

(617) 742-7825

(Registrant's Telephone Number, including Area Code)

Dorothy E. Bourassa, Esq., Secretary, Pioneer High Income Trust

60 State Street, Boston, MA 02109

Name and Address (Number, Street, City, State, Zip Code) of Agent for Service

Copies of Communications to:

Roger P. Joseph, Esq.

Bingham McCutchen LLP

One Federal Street

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Boston, MA 02110

Approximate Date of Proposed Public Offering: As soon as practicable after the effective date of this Registration Statement

If any of the securities being registered on this form are offered on a delayed or continuous basis in reliance on Rule 415 under the Securities Act of 1933, as amended (the "Securities Act") other than securities offered in connection with a dividend reinvestment plan, check the following box.

It is proposed that this filing will become effective (check appropriate box)

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o when declared effective pursuant to section 8(c)

Calculation of Registration Fee under the Securities Act of 1933

Title of Securities Being Registered	Amount Being Registered (1)	Proposed Maximum Offering Price Per Unit (1)	Proposed Aggregate Maximum Offering Price (1)	Amount of Registration Fee
Common Shares	100,000	\$8.60	\$860,000	\$47.99
Subscription Rights	-	-	-	-

(1) Estimated solely for the purpose of calculating the registration fee as required by Rule 457(c) under the Securities Act, based upon the average of the high and low sales prices reported on the New York Stock Exchange consolidated reporting system of \$8.60 on April 15, 2009.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such dates as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer is not permitted.

PIONEER HIGH INCOME TRUST

Preliminary Prospectus

Subject to Completion, Dated [____], 2009

[____] Common Shares

Issuable Upon Exercise of Rights to Subscribe for Such Common Shares

Pioneer High Income Trust (the "Fund") is issuing transferable rights (the "Rights") to its shareholders of record as of [____], 2009 (the "Record Date"). These Rights will allow shareholders and other persons who obtain Rights from shareholders (such shareholders and other persons together, "Rightholders") to subscribe to new common shares of beneficial interest, no par value, of the Fund ("Shares") in an aggregate amount of approximately [____] Shares (the "Offer"). For every [__] Rights that you receive, you may buy one new common share of the Fund ([__]-for-[__]). You will receive [__] Right for each whole share you own on the Record Date. If you receive less than [__] Rights in total, you will be entitled to buy one new share. Rightholders who fully exercise their Rights may purchase shares not acquired by other Rightholders in this offering, subject to the limitations and the allotment as described in this prospectus (the "Over-Subscription Privilege").

The Rights are transferable and will be listed for trading on the New York Stock Exchange (the "NYSE") under the symbol [____] during the course of the Offer.

The Fund's Shares are listed, and the Shares issued in this Offer will be listed, on the NYSE under the symbol "PHT." On [____], 2009, the last reported net asset value per share of the Fund's common shares was \$[____] and the last reported sales price of a Share on the NYSE on that date was \$[____].

The subscription price per Share will be the [greater/lesser] of: (i) [__]% of the net asset value ("NAV") per share of the Fund on [____], 2009 (the "Expiration Date") or (ii) [__]% of the volume weighted average share price of the Fund on the NYSE on the Expiration Date and the [__] preceding business days (the "Subscription Price").

The Offer will expire at 5:00 p.m., Eastern time, on [____], 2009, unless extended as described in this prospectus. Rightholders who choose to exercise their Rights will not know the Subscription Price at the time they exercise their Rights.

If you do not exercise your Rights, you will, upon the completion of the Offer, own a smaller proportional interest in the Fund than you do now. In addition, because the Subscription Price per common share may be less than the then current NAV per common share, the completion of the Offer may result in an immediate dilution of the net asset value per common share for all existing shareholders. Such dilution could be substantial. If such dilution occurs, shareholders will experience a decrease in the net asset value per common share held by them, irrespective of whether they exercise all or any portion of their Rights. The distribution to shareholders of transferable Rights, which may themselves have intrinsic value, will afford such shareholders the potential of receiving cash payment upon the sale of the Rights, receipt of which may be viewed as partial compensation for the potential economic dilution of their interests. The Fund cannot state precisely the extent of this dilution because the Fund does not know what the NAV will be when the Offer expires, how many Rights will be exercised or the exact expenses of the Offer. Volatility in the market price of shares of the Fund may increase or decrease during the Offer. No assurance

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can be given that a market for the Rights will develop, or as to the value, if any, that the Rights will have. For further information on the effects of dilution. See "Special Considerations and Risk Factors" on page [__].

The Fund is a diversified, closed-end management investment company with a leveraged capital structure. The Fund's primary investment objective is a high level of current income. The Fund may, as a secondary objective, also seek capital appreciation to the extent consistent with its primary investment objective.

Normally, the Fund invests at least 80% of its assets (net assets plus borrowing for investment purposes) in below investment grade ("high yield") debt securities, loans and preferred stocks. These securities are rated Ba or lower by Moody's Investors Service, Inc. ("Moody's") or BB or lower by Standard & Poor's Ratings Group ("S&P") or are unrated securities of comparable quality as determined by Pioneer Investment Management, Inc. ("Pioneer"), the Fund's investment adviser. See "Investment Objectives and Principal Investment Strategies" on page [__].

The Fund's Shares do not represent a deposit or obligation of, and are not guaranteed or endorsed by, any bank or other insured depository institution, and are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other governmental agency.

Before buying Shares of the Fund, you should read the discussion of the material risks of investing in the Fund under "Special Considerations and Risk Factors" beginning on page [__]. Certain of these risks are summarized in "Prospectus Summary -- Special Considerations and Risk Factors" beginning on page [__].

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

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	Estimated Subscription Price (1)	Sales Load	Estimated Proceeds to the Fund (2)
Per Common Share	\$[__]	None	\$[__]
Total Maximum (3)	\$[__]	None	\$[__]

(1) This is an estimated price. The actual Subscription Price will be determined as set forth above on the Expiration Date.

(2) Before deduction of expenses related to the Offer incurred by the Fund, which are estimated at approximately \$[_____].

(3) Assumes all Rights offered are exercised at the Estimated Subscription Price.

Because the Fund's investments will be concentrated in high yield securities, it will be subject to the risks of such securities. Below investment grade securities are commonly referred to as "junk bonds" and are considered speculative with respect to the issuer's capacity to pay interest and repay principal. They 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. See "Special Considerations and Risk Factors – Risks of Investing in the Fund."

The Fund currently employs financial leverage in the form of auction rate cumulative preferred shares ("Auction Preferred Shares"), and past auctions for the Auction Preferred Shares have failed. Accordingly, it will be difficult to increase financial leverage following the Offer through the issuance of additional preferred shares, although the Fund may employ leverage through other means. A reduction in the extent of leverage employed through Auction Preferred Shares will reduce the benefits associated with such leverage to the Fund's common shareholders, including enhancement of income or return. See "Special Considerations and Risk Factors" on page [__].

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Please read this prospectus carefully before investing and keep it for future reference. It contains important information that a prospective investor ought to know before investing in the Fund. A Statement of Additional Information ("SAI"), dated [____], 2009, containing additional information about the Fund has been filed with the Securities and Exchange Commission ("SEC") and is incorporated by reference in its entirety into this prospectus. A Table of Contents for the SAI is set forth on page [__] of this prospectus. A copy of the SAI can be obtained without charge by writing to the Fund at [____], by calling 1-800-225-6292, or from the SEC's website at <http://www.sec.gov>. Copies of the Fund's Annual Report and Semi-Annual Report may be obtained upon request by writing to the Fund, by calling 1-800-225-6292, or by visiting the Fund's website at www.pioneerinvestments.com. [All questions and inquiries relating to the Offer should be directed to the Information Agent, [Name], [Address], at [Telephone Number].]

CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and the SAI contain “forward-looking statements.” Forward-looking statements can be identified by the words “may,” “will,” “intend,” “expect,” “estimate,” “continue,” “plan,” “anticipate,” and similar terms and the negative of such terms. By their nature, all forward-looking statements involve risks and uncertainties, and actual results could differ materially from those contemplated by the forward-looking statements. Several factors that could materially affect the Fund’s actual results are the performance of the portfolio of securities the Fund holds, the conditions in the U.S. and international financial and other markets, the price at which the Fund’s shares will trade in the public markets and other factors discussed in the Fund’s periodic filings with the SEC.

Actual results could differ materially from those projected or assumed in the forward-looking statements. The Fund’s future financial condition and results of operations, as well as any forward-looking statements, are subject to change and are subject to inherent risks and uncertainties, such as those disclosed in the “Special Considerations and Risk Factors” section of this prospectus. All forward-looking statements contained or incorporated by reference in this prospectus are made as of the date of this prospectus. Except for the Fund’s ongoing obligations under the federal securities laws, the Fund does not intend, and it undertakes no obligation, to update any forward-looking statement.

Currently known risk factors that could cause actual results to differ materially from the Fund’s expectations include, but are not limited to, the factors described in the “Special Considerations and Risk Factors” section of this prospectus. You are urged to review carefully that section for a more complete discussion of the risks of an investment in the Fund’s common shares.

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PROSPECTUS SUMMARY

This summary highlights some information that is described more fully elsewhere in this prospectus. It may not contain all of the information that is important to you. To understand the Offer fully, you should read the entire document carefully, including the “Special Considerations and Risk Factors” section.

Purpose of the Offer The Fund is issuing Rights to purchase common shares of the Fund (“Shares”) at the Subscription Price. The Fund’s Board of Trustees has determined that the Offer would be in the best interest of the Fund and its shareholders to increase the assets of the Fund in order to more fully take advantage of current and prospective investment opportunities consistent with the Fund’s investment objectives. The Board also noted that an increase in the assets of the Fund may lower the Fund’s expense ratio slightly by spreading the Fund’s fixed costs over a larger asset base. In addition, the Board noted that an increase in the number of outstanding Shares could increase liquidity on the NYSE, where the Fund’s common shares are traded. See “The Offer -- Purpose of the Offer.”

The Offer The Fund is issuing to its common shareholders of record, as of the close of business on [____], 2009 (the “Record Date”), transferable rights (“Rights”) to subscribe for an aggregate of approximately [__] shares of beneficial interest of the Fund (“Shares”), no par value per share (the “Offer”). Each shareholder will receive [__] Right for each whole share held by the shareholder as of the Record Date. Such shareholders may transfer Rights to other persons. Existing shareholders of the Fund who retain all or part of their Rights and persons acquiring Rights from such shareholders are together referred to as “Rightholders.” For every [__] Rights that are held by a Rightholder, the Rightholder may subscribe for one new Share of the Fund ([__]-for-[__]). No fractional Shares will be issued. If a shareholder receives less than [__] Rights in total, that shareholder will be entitled to subscribe for one new Share. The Right to acquire Shares during the Subscription Period (defined below) is referred to as the “Primary Subscription.”

If a Rightholder exercises all of the Rights it received in the Primary Subscription, that Rightholder also may subscribe for Shares which were not otherwise subscribed for by others in the Primary Subscription pursuant to the Over-Subscription Privilege.

A Rightholder may elect to sell his or her Rights. Assuming a market for the Rights develops, the Rights may be purchased and sold through usual brokerage channels until [____], 2009 (or, if the Offer is extended, until a comparable number of business days before the final Expiration Date). In such case, a Rightholder will need to instruct his or her broker to sell any unexercised Rights in time for the broker to execute the transaction by the close of trading on [____], 2009, or provide instructions to the Subscription Agent by 4 p.m. on [____], 2009 to sell any unexercised Rights.

The Rights will be traded on the NYSE under the symbol [____] during the course of the Offer. The Fund will use its best efforts to ensure that an adequate trading market for the Rights will exist but there is no assurance that a market for the Rights will develop. Trading in the Rights on the NYSE may be conducted until and including the close of trading on the last NYSE trading day prior to the Expiration Date. See “The Offer.”

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Subscription Price	The subscription price per Share will be the [greater/lesser] of: (i) [__]% of the net asset value (“NAV”) per share of the Fund on [____], 2009 (the “Expiration Date”) or (ii) [__]% of the volume weighted average share price of the Fund on the NYSE on the Expiration Date and the [__] preceding business days (the “Subscription Price”). See “The Offer -- The Subscription Price.”
Subscription Period	Rights may be exercised at any time during the subscription period (the “Subscription Period”), which starts on [____], 2009 and ends at 5:00 p.m., Eastern time, on [____], 2009. See “The Offer -- Terms of the Offer.”
Over-Subscription Privilege	If a Rightholder subscribes for the maximum number of Shares to which he or she is entitled, the Rightholder may subscribe for Shares which were not otherwise subscribed for through the Primary Subscription by other Rightholders. Shares acquired pursuant to the Over-Subscription Privilege are subject to allotment. See “The Offer -- Over-Subscription Privilege.”
Costs of the Offer	The costs of the Offer, which are estimated to be \$[____], will be borne by the Fund.
Notice of NAV Decline	The Fund will suspend the Offer until it amends this prospectus if, after the effective date of this prospectus, the Fund’s NAV declines more than [__]% from its NAV as of the effective date. In such event, the Fund will notify Rightholders of any such decline and permit Rightholders to cancel the exercise of their Rights. Rightholders will have their payment for additional Shares returned to them if they opt to cancel the exercise of their Rights. See “The Offer -- Notice of NAV Decline.”
How to Obtain Subscription Information	<ul style="list-style-type: none">• Contact your broker, banker or trust company.
How to Subscribe	<ul style="list-style-type: none">• [Contact [____] (the “Information Agent”) at [____]]. Except as described under Foreign Restrictions, you may subscribe in one of two ways: <ul style="list-style-type: none">• Complete and sign the subscription certificate (“Subscription Certificate”). Mail it in the envelope provided or deliver the completed and signed Subscription Certificate by the Expiration Date to [____] (the “Subscription Agent”).• Contact your broker, banker or trust company, which can arrange, on your behalf, to guarantee delivery of a properly completed and executed Subscription Certificate, pursuant to a notice of guaranteed delivery (“Notice of Guaranteed Delivery”), to the Subscription Agent by the Expiration Date. See “The Offer -- Exercise of Rights” and “The Offer -- Payment for Shares.”
Federal Income Tax Consequences	For federal income tax purposes, neither the receipt nor the exercise of the Rights will result in taxable income to Rightholders. You will not recognize a taxable loss if your Rights expire without being exercised. However, a sale of the Rights (or of Shares obtained by exercising the Rights) generally will result in the recognition of taxable income or loss. See “The Offer -- Certain Federal Income Tax Consequences of the Offer.”

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Use of Proceeds	The net proceeds of the Offer, assuming all Shares are sold, is estimated to be \$[_____]. The Fund will invest the proceeds of the Offer in accordance with the Fund's investment objective and policies. Pioneer Investment Management, Inc., the Fund's investment adviser ("Pioneer"), anticipates that investment of the proceeds will occur shortly after their receipt by the Fund, depending on market conditions and the availability of appropriate investments. To the extent there is any delay in investing the proceeds of the Offer, the Fund may invest in U.S. government securities or high-quality, short-term money market instruments, cash or cash equivalents, pending investment of the proceeds. See "Use of Proceeds."
Transferability of Rights	The Rights are transferable and will be listed for trading on the NYSE under the symbol [_____] during the course of the offering. The Fund's outstanding common shares are listed, and the Shares issued in this Offer will be listed, on the NYSE under the symbol "PHT."
Foreign Restrictions	Subscription Certificates will not be mailed to shareholders whose record addresses are outside the United States. Foreign shareholders will receive written notice of the Offer as set forth in this prospectus. See "The Offer -- Foreign Restrictions."

Important Dates To Remember

Record Date	[____], 2009
Subscription Period*	[____], 2009 to [____], 2009
Expiration Date	[____], 2009
Subscription Certificates and Payment for Shares due**	[____], 2009
Notice of Guaranteed Delivery due	[____], 2009
Payment for Guarantees of Delivery due	[____], 2009
Confirmation mailed to participant	[____], 2009
Final payment for Shares***	[____], 2009

* Unless the Offer is extended.

** A Rightholder exercising Rights must deliver the (i) a Subscription Certificate or (ii) a Notice of Guarantee Delivery by the Expiration Date.

*** Additional amount due (in the event the Subscription Price exceeds the Estimated Subscription Price).

The Fund

The Fund

The Fund was organized as a trust under the laws of the State of Delaware on January 30, 2002, and it is registered under the Investment Company Act of 1940, as amended (the "1940 Act"). The Fund has been engaged in business as a diversified, closed-end management investment company since April 30, 2002, when it completed an initial public offering of 24,000,000 common shares of beneficial interest, par value \$0.00 per share. The Fund issued 2,000,000 common shares on May 14, 2002 and 600,000 common shares on June 10, 2002 pursuant to an over-allotment provision. The Fund's common shares are traded on the NYSE under the symbol "PHT." As of [____], 2009, the Fund's NAV was \$[____] and the Fund's last reported sale price was \$[____]. On July 12, 2002, the Fund issued 2,020 shares of Series M Auction Preferred Shares and 2,020 shares of Series W Auction Preferred Shares, par value \$0.0001 per share. On [____], 2003, the Fund issued [2,000] shares of Series TH Auction Preferred Shares, par value \$0.0001 per share. See "The Fund."

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Investment Objectives and Principal Investment Strategies

The Fund's primary investment objective is a high level of current income. The Fund may, as a secondary objective, also seek capital appreciation to the extent consistent with its primary investment objective.

Normally, the Fund invests at least 80% of its assets (net assets plus borrowing for investment purposes) in below investment grade ("high yield") debt securities, loans and preferred stocks. These securities are rated Ba or lower by Moody's Investors Service, Inc. ("Moody's") or BB or lower by Standard & Poor's ("S&P") or are unrated securities of comparable quality as determined by Pioneer, the Fund's investment adviser. The Fund may invest in high yield securities of any rating, including securities that are in default at the time of purchase. Debt securities rated below investment grade are commonly referred to as "junk bonds" and are considered speculative with respect to the issuer's capacity to pay interest and repay principal. They involve greater risk of loss, may be more difficult to value, 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's investments in high yield securities may have fixed or variable principal payments and all types of interest rate and dividend payment and reset terms, including fixed rate, adjustable rate, zero coupon, contingent, deferred, payment in kind and auction rate features. The Fund invests in securities with a broad range of maturities.

Convertible Securities. The Fund's investments in fixed income securities may include bonds and preferred stocks that are convertible into the equity securities of the issuer. The Fund will not invest more than 50% of its total assets in convertible instruments. Depending upon the relationship of the conversion price to the market value of the underlying securities, convertible securities may trade more like equity securities than debt instruments.

Corporate Loans. The Fund may invest a portion of its assets in loan participations and other direct claims against a borrower. The corporate loans in which the Fund invests primarily consist of direct obligations of a borrower and may include debtor in possession financings pursuant to Chapter 11 of the U.S. Bankruptcy Code, obligations of a borrower issued in connection with a restructuring pursuant to Chapter 11 of the U.S. Bankruptcy Code, leveraged buy-out loans, leveraged recapitalization loans, receivables purchase facilities, and privately placed notes. The Fund may invest in a corporate loan at origination as a co-lender or by acquiring in the secondary market participations in, assignments of or novations of a corporate loan. By purchasing a participation, the Fund acquires some or all of the interest of a bank or other lending institution in a loan to a corporate or government borrower.

Distressed Securities. The Fund may invest up to 10% of its total assets in distressed securities, including corporate loans, which are the subject of bankruptcy proceedings or otherwise in default as to the repayment of principal and/or payment of interest at the time of acquisition by the Fund or are rated in the lower rating categories (Ca or lower by Moody's or CC or lower by S&P) or which are unrated investments considered by Pioneer to be of comparable quality. An investment in distressed securities is speculative and involves significant risk. Distressed securities frequently do not produce income while they are outstanding and may require the Fund to bear certain extraordinary expenses in order to protect and recover its investment. Therefore, to the extent the Fund seeks capital appreciation through investment in distressed securities, the Fund's ability to achieve current income for its shareholders may be diminished. The Fund also will be subject to significant uncertainty as to when, in what manner and for what value the obligations evidenced by the distressed securities will eventually be satisfied (e.g., through a liquidation of the obligor's assets, an exchange offer or plan of reorganization involving the distressed securities or a payment of some amount in satisfaction of the obligation).

Non-U.S. Issuers. While the Fund primarily invests in securities of U.S. issuers, the Fund may invest up to 25% of its total assets in securities of corporate and governmental issuers located outside the United States and denominated in foreign currencies, including debt and

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equity securities of corporate issuers and debt securities of government issuers in developed and emerging markets.

Illiquid Securities. The Fund may invest up to 50% of its total assets in illiquid securities, which are securities that cannot be disposed of by the Fund within seven days in the ordinary course of business at approximately the amount at which the Fund values the securities. Pioneer anticipates that its research efforts and investment approach will result in a significant portion of the Fund's assets being invested in thinly traded securities. The Fund may invest in securities that are sold in direct private placement transactions and are neither listed on an exchange nor traded in the over-the-counter market.

Mortgage- and Asset-Backed Securities and Real Estate Investment Trusts ("REITs"). The Fund may invest in mortgage- and asset-backed securities. Mortgage-backed securities may be issued by private companies or agencies of the U.S. government and represent direct or indirect participation in, or are collateralized by and payable from, mortgage loans secured by real property. Asset-backed securities represent participations in and are secured by and payable from assets such as installment sales or loan contracts, leases, credit card receivables and other categories of receivables. REITs are companies that invest primarily in real estate or real estate related loans. Interests in REITs are significantly affected by the market for real estate and are dependent upon management's skills and cash flows.

Mortgage Dollar Rolls. The Fund may enter into mortgage dollar roll transactions to earn additional income. In these transactions, the Fund sells a

U.S. agency mortgage-backed security and simultaneously agrees to repurchase at a future date another U.S. agency mortgage-backed security with the same interest rate and maturity date, but generally backed by a different pool of mortgages. The Fund loses the right to receive interest and principal payments on the security it sold. However, the Fund benefits from the interest earned on investing the proceeds of the sale and may receive a fee or a lower repurchase price. The benefits from these transactions depend upon Pioneer's ability to forecast mortgage prepayment patterns on different mortgage pools. The Fund may lose money if, during the period between the time it agrees to the forward purchase of the mortgage securities and the settlement date, these securities decline in value due to market conditions or prepayments on the underlying mortgages.

Event-Linked Bonds. The Fund may invest in "event-linked" bonds, which sometimes are referred to as "insurance-linked" or "catastrophe" bonds. Event-linked bonds are debt obligations for 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. For some event-linked bonds, the trigger event's magnitude may be based on losses to a company or industry, industry indexes or readings of scientific instruments rather than specified actual losses. If a trigger event, as defined within the terms of an event-linked bond, involves losses or other metrics exceeding a specific magnitude in the geographic region and time period specified therein, the Fund may lose a portion or all of its accrued interest and/or principal invested in such event-linked bond. The Fund is entitled to receive principal and interest payments so long as no trigger event occurs of the description and magnitude specified by the instrument.

Derivatives. The Fund may, but is not required to, use futures, options and swaps (including credit default swaps) on securities, indices and other derivatives. A derivative is a security or instrument whose value is determined by reference to the value or the change in value of one or more securities, indices or other financial instruments. Instead of investing directly in particular securities, the Fund may gain exposure to a security, issuer, index or basket of securities, or a market, by investing through the use of instruments such as derivatives, including credit default swaps, futures contracts, synthetic instruments and other instruments that are intended to provide similar economic exposure.

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Other Securities. Normally, the Fund invests substantially all of its assets to meet its investment objective. The Fund may invest the remainder of its assets in securities with remaining maturities of less than one year, equity securities, cash equivalents or may hold cash. For temporary defensive purposes, the Fund may depart from its principal investment strategies and invest part or all of its assets in these securities or may hold cash. During such periods, the Fund may not be able to achieve its investment objective. See “Investment Objectives and Principal Investment Strategies.”

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Information Regarding the Investment Adviser	<p>Pioneer, a wholly owned indirect subsidiary of UniCredit S.p.A. (“UniCredit”), serves as investment adviser to the Fund. Management fees payable under the Fund’s advisory agreement with Pioneer are calculated daily at the annual rate of 0.60% of the Fund’s average weekly managed assets. “Managed assets” means the total assets of the Fund (including any assets attributable to leverage that may be outstanding) minus the sum of the accrued liabilities (other than liabilities representing financial leverage). The</p> <p>liquidation preference on any preferred shares is not a liability. See “Management of the Fund -- Investment Adviser.”</p> <p><i>Potential Conflicts of Interest.</i> The Fund currently employs financial leverage in the form of Auction Preferred Shares. If the Fund continues to employ leverage, Pioneer will benefit because the Fund’s managed assets will increase with leverage. Pioneer will also benefit from the increase in the managed assets as the result of the Offer.</p>
Dividends and Distributions	<p>The Fund’s policy is to make monthly distributions to shareholders. Monthly distributions may include net short-term capital gains. Net long term capital gains, if any, will be distributed at least annually. See “Dividends and Distributions; Automatic Dividend Reinvestment Plan.”</p>
Automatic Dividend Reinvestment Plan	<p>Pursuant to the Fund’s automatic dividend reinvestment plan (the “Plan”), unless a shareholder is ineligible or elects otherwise, all dividend and capital gain distributions are automatically reinvested by American Stock Transfer & Trust Company, as agent for shareholders in administering the Plan (the “Plan Agent”), in additional common shares of the Fund. Shareholders who are ineligible or who elect not to participate in the Plan will receive all dividends and distributions payable in cash paid by check mailed directly to the shareholder of record (or, if the shares are held in street or other nominee name, then to such nominee) by the Plan Agent, as dividend paying agent. See “Dividends and Distributions; Automatic Dividend Reinvestment Plan.”</p>
Provision for Conversion to Open-End Trust	<p>The Board may at any time propose conversion of the Fund to an open-end management investment company depending on its judgment of the advisability of such action in light of circumstances then prevailing. If 75% of the Board approved the proposal, then a vote a majority of each affected class or series of securities outstanding would be required to approve such conversion. If less than 75% but more than 50% of the Board approved the proposal, then 75% of each affected class or series of securities outstanding would be required to approve such conversion. Conversion to an open-end investment company would make the shares redeemable at their NAV upon demand by shareholders. See “Description of Shares -- Conversion to Open-End Fund.”</p>
Repurchase of Shares	<p>The Fund may, from time to time, take action to attempt to reduce or eliminate any market value discount from NAV. The Board, in consultation with Pioneer, will periodically review the possibility of open market repurchases or tender offers for common shares of the Fund. There can be no assurance that the Board will, in fact, decide to undertake either of these actions or, if undertaken, that such repurchases or tender offers will result in the common shares trading at a price which is equal to or close to NAV. The Fund may borrow to finance such repurchases or tenders. See “Repurchase of Shares.”</p>

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Custodian and Transfer Agent Brown Brothers Harriman & Co. acts as the Fund's custodian pursuant to a custody agreement.

Pioneer Investment Management Shareholder Services, Inc., a wholly owned indirect subsidiary of UniCredit, through a sub-transfer agency agreement with American Stock Transfer & Fund Company provides substantially all transfer agent and shareowner services related to the Fund's common shares at negotiated rates.

Deutsche Bank Trust Company Americas is the transfer agent, registrar, dividend paying agent and auction agent with respect to the Fund's Auction Preferred Shares.

Special Considerations and Risk Factors

The following summarizes some of the matters that you should consider before investing in connection with this Offer.

Risks of the Offer

Potential Dilution. If you do not exercise your Rights, you will, upon the completion of the Offer, own a smaller proportional interest in the Fund than you do now. In addition, because the Subscription Price per common share may be less than the then current NAV per common share, the completion of the Offer may result in an immediate dilution of the net asset value per common share for all existing shareholders. Such dilution could be substantial. If such dilution occurs, shareholders will experience a decrease in the net asset value per common share held by them, irrespective of whether they exercise all or any portion of their Rights. The Fund cannot state precisely the extent of this dilution because the Fund does not know what the NAV will be when the Offer expires, how many Rights will be exercised or the exact expenses of the Offer.

Reduction in Leverage. The Fund currently employs financial leverage in the form of Auction Preferred Shares, and past auctions for the Auction Preferred Shares have failed. Accordingly, it will be difficult to increase financial leverage following the Offer through the issuance of additional preferred shares, although the Fund may employ leverage through other means. A reduction in the extent of leverage employed through Auction Preferred Shares will reduce the potential benefits associated with such leverage to the Fund's common shareholders, including enhancement of income or return. A reduction in the Fund's use of financial leverage will dampen the effect of changing market conditions on the market price for common shares.

Potential Yield Reduction. The Offer is expected to present the opportunity to invest in higher yielding securities. There is no assurance that the Fund will be able to invest the proceeds of the Offer in higher yielding securities or that other potential benefits of the Offer will be realized. The Offer could reduce the Fund's current dividend yield if the Fund is unable to invest the proceeds of the Offer in securities that provide a yield sufficiently higher than the current dividend yield so as to offset the Fund's decreased leverage ratio as a result of the increase in net assets attributable to the Shares.

Share Price Volatility. Volatility in the market price of the Fund's shares may increase or decrease during the Offer. The Offer may result in some shareholders selling their shares, which would exert downward price pressure on the price of shares, while others wishing to participate in the Offer may buy Shares, having the opposite impact.

Under-Subscription. It is possible that the Offer will not be fully subscribed. Under-subscription of the Offer could have an impact on the net proceeds of the Offer and whether the Fund achieves the benefits described under "The Offer -- Purpose of the Offer."

Risks of Investing in the Fund

The Fund is a closed-end investment company designed primarily as a long-term investment and not as a trading vehicle. The following are the general risks of investing in the Fund that affect the Fund's ability to achieve its investment objective. The risks below could lower the returns and distributions on the Fund's common shares. Due to the uncertainty in all investments, there can be no assurance that the Fund will achieve its investment objectives.

- You could lose money on your investment in the Fund.

- Investment in high yield securities involves substantial risk of loss. Below investment grade debt securities or comparable unrated securities are commonly referred to as “junk bonds” and are considered predominantly speculative with respect to the issuer’s ability to pay interest and principal and are susceptible to default or decline in market value due to adverse economic and business developments. The market values for high yield securities tend to be very volatile, and these securities are less liquid than investment grade debt securities. For these reasons, your investment in the Fund is subject to the following specific risks:
 - • Increased price sensitivity to changing interest rates and to a deteriorating economic environment;

 - • Greater risk of loss due to default or declining credit quality;

 - • Adverse company specific events are more likely to render the issuer unable to make interest and/or principal payments; and

 - • If a negative perception of the high yield market develops, the price and liquidity of high yield securities may be depressed. This negative perception could last for a significant period of time.

Debt securities rated below investment grade are speculative with respect to the capacity to pay interest and repay principal in accordance with the terms of such securities. A rating of C from Moody’s means that the issue so rated can be regarded as having extremely poor prospects of ever attaining any real investment standing. S&P assigns a rating of C to issues that are currently highly vulnerable to nonpayment, and the C rating may be used to cover a situation where a bankruptcy petition has been filed or similar action taken, but payments on the obligation are being continued (a C rating is also assigned to a preferred stock issue in arrears on dividends or sinking fund payments, but that is currently paying). See the statement of additional information for a description of Moody’s and S&P’s ratings.

- Past auctions of the Fund’s Auction Preferred Shares have failed, which has prevented the holders of the Auction Preferred Shares from selling their shares. It is possible that the holders of the Auction Preferred Shares may take action to cause the redemption of their shares, or that the Fund may otherwise voluntarily or involuntarily redeem some or all of the outstanding Auction Preferred Shares. Any such redemption could substantially reduce or eliminate the Fund’s financial leverage, which would cause a reduction in the dividend yield for holders of the Fund’s common shares. Pioneer and the Fund continue to explore various alternatives for re-financing the Auction Preferred Shares in order to provide liquidity for holders of Auction Preferred Shares, but they may not be successful in doing so on terms that are favorable to the holders of the Fund’s common shares.

- The values of securities held by the Fund may fall due to general market conditions, such as real or perceived adverse economic, political or regulatory conditions, inflation, changes in interest or currency rates or adverse investor sentiment. Recently, the equity and debt capital markets in the United States and internationally have experienced unprecedented volatility. This ongoing financial crisis has caused a significant decline in the value and liquidity of many securities. These market conditions may continue or get worse, and they may not have the same impact on all types of securities. This environment could make identifying investment risks and opportunities especially difficult. The values of securities