Trust must be earned

Amundi ASSET MANAGEMENT

Pioneer Bond Fund

Performance Analysis and Market Commentary | December 31, 2023

Average Annual Total Returns for Class Y Shares

	Month-to-Date	Quarter-to-Date	1-Year	3-Year	5-Year	10-Year
Pioneer Bond Fund (PICYX)	4.38%	7.26%	6.97%	-2.60%	1.91%	2.41%
Bloomberg US Aggregate Bond Index (Benchmark)	3.83%	6.82%	5.53%	-3.31%	1.10%	1.81%

Gross and Net expense ratio: 0.47%

Call 1-800-225-6292 or visit amundi.com/us 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. Class Y shares are not subject to sales charges and are available for limited groups of investors, including institutional investors. Initial investments are subject to a $5 million investment minimum, which may be waived in some circumstances. All results are historical and assume the reinvestment of dividends and capital gains. Periods of less than one year are actual, not annualized. Other share classes are available for which performance and expenses will differ.

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 Otherwise, fee waivers can be rescinded at any time.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.

Market Review

— Fourth quarter market performance for 2023 culminated in a Christmas rally, as investors increasingly embraced the soft-landing scenario for the US economy in response to better-than-expected growth and earnings, continued strong employment and lower inflation. The “higher for longer” narrative of the third quarter gave way to a more dovish Federal Reserve (Fed), which was encouraged by declines in both headline and core inflation, with November year-over-year core Personal Consumption Expenditures (PCE) inflation coming in at 3.2%. The US labor market continued to normalize but remained solid, with unemployment declining to 3.7%, and consumer spending was surprisingly resilient despite concerns over reduced excess savings.

— US Treasury yields declined dramatically, as the market forecasted no further rate increases in 2023 and priced in six 25 basis point (bps) Fed funds rate cuts during 2024. The yield curve inversion deepened; the spread difference between the 2-year and the 10-year Treasury rose from its low of 16 bps at the end of October to a year-end level of 37 bps. The 10-year yield fell from 4.58% at the end of September (and from its mid-October peak of 4.98%) to 3.86%. All risky assets outperformed Treasuries. The S&P 500 Index (SPX) returned 11.7% over the quarter. Falling Treasury yields drove strong returns for the Bloomberg US Aggregate Bond Index, for a 6.82% total return, more than offsetting losses sustained through September. The Bloomberg US Aggregate Bond Index outperformed Treasuries by 0.88% for the quarter, as corporates led performance with an 8.5% total return and a 2.0% excess return for the Bloomberg US Corporate Investment Grade Index. Agency mortgage-backed securities (MBS) rallied with a 7.5% total return and a 1.3% return over Treasuries for the Bloomberg US MBS Index. Additionally, commercial MBS (CMBS), as measured by the Bloomberg US CMBS: Erisa Eligible Index, delivered a 0.73% excess return. Asset-backed securities (ABS), as measured by the Bloomberg US Aggregate ABS Index, posted a 0.37% excess return. The Bloomberg US Corporate High Yield Index returned 7.1%, and the Morningstar LSTA US Leveraged Loan Index returned 2.9%. Emerging market (EM) sovereigns, as measured by the JP Morgan EMBI Plus Index, returned 10.5%. EM corporates rose 5.5%, as measured by the JP Morgan CEMBI Broad Diversified Index. The US Dollar Index weakened -4.2% over the quarter.

Performance Review

- Pioneer Bond Fund (Class Y) returned 7.26% during the fourth quarter of 2023, compared to the Bloomberg US Aggregate Bond Index (the Index) return of 6.82%. Year-to-date, the Fund returned 6.97% compared to 5.53% for the Index.
- **Duration** positioning was the primary contributor to performance over the quarter, as Treasury yields tumbled on lower-than-expected inflation coupled with better gross domestic product (GDP) growth.
- The relative average long duration position of 0.88 years compared to the Index, significantly outperformed, as Treasury yields fell, with the 10-year yield falling from a near 5% peak in October to 3.86% at year end.
- Security selection benefited from a strong rebound in financials, including select US regional banks, subordinated issues of European banks, and a US mortgage firm. ABS and industrials issues also contributed.
- Sector allocation benefited from the overweight to **spread sectors** and underweight to US Treasuries, as risk assets rallied. In particular, the 29% underweight to US Treasuries, counterbalanced by the 8% overweight to financials, 5% overweight to agency MBS, and 8% non-agency MBS exposure, outperformed.
- The 1% in treasury inflation-protected securities (TIPS) detracted, as breakevens fell. The 3% overweight to CMBS was also a modest detractor.

Market Outlook and Positioning

- The Fund continues to hold a relative long duration position compared to its Index, although it reduced duration near year end, consistent with the significant decline in the 10-year Treasury yield after its mid-October peak. In our view, we continue to believe economic growth may slow in 2024, and the yields may decline over 2024. In addition, the Fund continues to hold a yield curve steepener, with an overweight focused on the 5-7 year part of the curve, reflecting our view that the curve may “disinvert” as economic growth slows.
- The Fund continues to have a more cautious view on credit, relative to its history, although continues to hold an overweight to credit relative to its benchmark. In our view, this cautious view, which includes an up-in-quality bias, reflects the less attractive relative value and the likelihood that economic growth may slow in 2024. Investment grade and high yield corporate spreads continue to reside near the 10th percentile relative to their long-term history, and securitized spreads have also narrowed. Within corporates, we favor financials, which we believe may offer more attractive value relative to industrials. We continue to favor securitized over corporate credit, based on relative value. Agency MBS offer higher spreads relative to their history; the US housing market has stabilized, and multi-families offer value within the CMBS market.
- The Fed’s policy “pivot” and the substantial easing of financial conditions since October have no doubt helped lower the risk of a US economy hard landing/recession in 2024. Though lower, we still view the probability of a 2024 recession as higher than normal and elevated, relative to other economic outcomes, and the interest rates markets appear to agree. Fed funds rate futures contracts priced in a year-end 2024 Fed funds rate of 3.75% or more than 150 bps lower than the current fund rate. While we are comfortable with market pricing of the cumulative rate cuts in 2024, we disagree with market pricing of a 25 bps rate cut in March, given the current economic activity and a view that monthly core PCE inflation is likely to reaccelerate in the next few months. We continue to view duration risk as relatively attractive for portfolios, but less so than in October, and have repositioned accordingly. Investment grade corporate bond spreads reached year-to-date lows of just below 100 bps in December. Less relative value in the sector justifies an overall lower allocation to spread risk. We prefer to reduce spread risk by shortening duration and moving up in quality within spread sectors, rather than increasing Treasury exposures, as the Fed’s pivot raises the possibility of an elongated time period before spreads materially widen in response to a recessionary environment. Agency MBS remains relatively attractive with spreads still near historical averages.

See glossary of frequently used terms for definitions.

The ICE Bank of America US 3-Month Treasury Bill Index measures the performance of a single issue of outstanding Treasury bills which mature closest to, but not beyond, three months from the rebalancing date. The issue is purchased at the beginning of the month and held for a full month; at the end of the month, that issue is sold and rolled into a newly selected issue. **The US Treasury Index** an index based on recent auctions of US Treasury bills and is commonly used as a benchmark when determining interest rates, such as mortgage rates. **The S&P 500 Index** measures the performance of the broad US stock market. **The Bloomberg US Aggregate Bond Index** is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. Indices are unmanaged and their returns assume reinvestment of dividends and do not reflect any fees or expenses. It is not possible to invest directly in an index.

Glossary of Frequently Used Terms

Advanced Refunding Bond (usually applies only to municipal bond funds) – A bond issued to retire, or pre-refund, another outstanding bond more than 90 days in advance of the original bond's maturity date.

Basis Point – A unit of measure used to describe the percentage change in the value or rate of a financial instrument. One basis point is equivalent to 0.01% (1/100th of a percent) or 0.0001 in decimal form. In most cases, it refers to changes in interest rates and bond yields.

Beta – measures an investment's sensitivity to market movements in relation to an index. A beta of 1 indicates that the security's price has moved with the market. A beta of less than 1 means that the security has been less volatile than the market. A beta of greater than 1 indicates that the security's price has been more volatile than the market.

Breakeven(s) – The difference(s) between the yield of a nominal bond and an inflation-linked bond of the same maturity.

Carry – The cost or benefit of owning that asset.

Correlation – The degree to which assets or asset class prices have moved in relation to one another. Correlation ranges from -1 (always moving in opposite directions) through 0 (absolutely independent) to 1 (always moving together).

Credit spreads (or spreads) – The differences in yield between Treasuries and other types of fixed-income securities with similar maturities.

Credit Risk Transfer Securities – Securities that transfer a portion of the risk associated with credit losses within pools of conventional residential mortgage loans from the government-sponsored entities (GSEs), Fannie Mae and Freddie Mac, to the private sector.

Dot Plot – The Fed's "dot" plot/projection is a quarterly chart summarizing the outlook for the federal funds rate for each of the FOMC's members.

Duration – A measure of the sensitivity of the price (the value of principal) of a fixed income investment to a change in interest rates, expressed as a number of years.

Dividend Yield – Refers to a stock's annual dividend payments to shareholders, expressed as a percentage of the stock's current price.

Excess returns – represent investment performance generated by a security or portfolio that exceed the "riskless" performance of a security generally perceived by the market to be risk-free, such as a certificate of deposit or a government-issued bond.

Goldilocks – An economy that is not too hot or cold, in other words sustains moderate economic growth, and that has low inflation, which allows a market-friendly monetary policy.

Hedge – An investment utilized to help reduce the risk of adverse price movements in an asset. Normally, a hedge consists of taking an offsetting position in a related security to help guard against a swift change in price, such as purchasing a "put" (sell) or "call" (buy) option contract on a stock in which the investor already owns shares outright.

Insurance-linked securities – Investments sponsored by property-and-casualty insurers to help mitigate the risk of having to pay claims in the wake of natural disasters.

Liquidity Premium – Any form of additional compensation that is required to encourage investment in assets that cannot be easily and efficiently converted into cash at fair market value.

Interest Rate Coverage Ratio – A debt and profitability ratio used to determine how easily a company can pay interest on its outstanding debt.

Loan Spread – The interest rates over and above the LIBOR rate charged to borrowers by banks.

Loan-to-Value (LTV) Ratio – A measure comparing the amount of a mortgage with the appraised value of the property. The higher the down payment, the lower the LTV ratio.

Municipal-to-Treasury Yield Ratio (municipal bond funds only) – A measure of municipal bond valuation. The higher the Municipal-to-Treasury ratio, the more attractive municipals are relative to Treasuries.

Mark to Market – Involves recording the price or value of a security, portfolio, or account to reflect the current market value rather than the book value.

Prepayment Risk – The risk involved with the premature return of principal on a fixed-income security. When principal is returned early, future interest payments will not be paid on that part of the principal.

Real Yield – The yield provided by an investment once inflation is taken into account.

Reinsurance -- coverage provided to insurance companies.

Rate-on-Line – The the premium/coupon paid by the re/insurance company for coverage.

Standard Deviation – A statistical measure of the historic volatility of a portfolio; a lower standard deviation indicates historically less volatility.

Sharpe Ratio – A measure of risk-adjusted return that describes how much excess return an investor receives in exchange for the volatility of holding a riskier asset.

Spread sectors – Nongovernmental fixed-income market sectors that offer higher yields, at greater risk, than governmental investments.

Tail Risk – The additional risk of an asset or portfolio of assets moving more than 3 standard deviations from the current price, above the risk of a normal distribution.

Tax-Equivalent Yield – The pretax yield that a taxable bond needs to possess for its yield to be equal to that of a tax-free municipal bond.

Subordinated Capital/Financing – Financing ranked behind that held by secured lenders with regard to the order of repayment. Subordinated financing can be a mix of debt and equity instruments. Equity components may include options and warrants. Debt components may include asset-backed securities.

Yield Curve (Curve)– A yield curve is a line that plots the interest rates, at a set point in time, of bonds having equal credit quality but differing maturity dates.

Yield to Maturity – The total return anticipated on a bond if the bond is held until the end of its lifetime.

Yield to Worst (YTW) – The lowest potential yield that can be received on a bond without the issuer actually defaulting.

The views expressed are those of Amundi US and are current through December 31, 2023. These views are subject to change at any time based on market or other conditions, and Amundi US disclaims any responsibility to update such views. These views may not be relied upon as investment advice and, because investment decisions for strategies are based on many factors, may not be relied upon as an indication of trading intent on behalf of any portfolio.

A Word about Risk

The market prices of securities may go up or down, sometimes rapidly or unpredictably, due to general market conditions, such as real or perceived adverse economic, political, or regulatory conditions, recessions, inflation, changes in interest or currency rates, lack of liquidity in the bond markets, the spread of infectious illness or other public health issues or adverse investor sentiment. The market price of securities may fluctuate when interest rates change. 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. 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. Investments in high yield or lower-rated securities are subject to greater-than-average price volatility, illiquidity and possibility of default. The securities issued by US Government-sponsored entities (e.g., FNMA, Freddie Mac) are neither guaranteed nor issued by the US 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 prepayments.

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

Individuals are encouraged to seek advice from their financial, legal, tax and other appropriate professionals 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 US does not provide investment advice or investment recommendation.

Not FDIC insured • May lose value • No bank guarantee

Securities offered through Amundi Distributor US, Inc.
Underwriter of Pioneer mutual funds, Member SIPC
60 State Street, Boston, Massachusetts 02109
©2023 Amundi Asset Management US
31637-19-0124