

Pioneer Floating Rate 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 Floating Rate Fund (FLYRX)	1.72%	2.40%	11.56%	4.17%	4.41%	3.50%
Morningstar/LSTA US Performing Loan Index (Benchmark)	1.71%	2.96%	13.72%	5.96%	6.00%	4.68%

Gross expense ratio: 0.84% Net Expense Ratio: 0.77%

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.

The net expense ratio reflects the contractual expense limitation currently in effect through March 1, 2024, for Class Y shares. There can be no assurance that Amundi US 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 Otherwise, fee waivers can be rescinded at any time.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 and financial statements for more information.

Market Review

- Fourth quarter market performance 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.
- 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 2s-10s spread 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 Fund’s benchmark, the Morningstar/LSTA US Performing Loan Index (the Morningstar/LSTA Index), posted a 2.96% return for the fourth quarter, for a year-to-date return of 13.72%.
- Having fallen to a post-2008 crisis low of \$76 in March 2020, loan prices closed 2022 at \$92.44 and finished 2023 higher at \$95.23. The yield-to-maturity of the Morningstar/LSTA Index moved from 9.99% at the end of December 2022 to 10.13% at the close of 2023.

- By rating category, single B loans topped higher-quality loans in the fourth quarter, as loan market investors sought to raise their risk profiles over the three-month period. BB rated loans returned 2.71% in the fourth quarter, while single Bs returned 3.16%, and CCC rated loans rose by 2.18%.
- Loan default rates edged up during the quarter and remain well below their historical average, increasing to 1.53% by principal amount, compared with 1.34% at the end of the third quarter of 2023.

Performance Review

- Pioneer Floating Rate Fund's Class Y shares returned 2.40% in the fourth quarter of 2023, while the Fund's benchmark, the Morningstar/LSTA Index, returned 2.96%. Year-to-date the Fund returned 11.56% versus the index return of 13.72%.
- On the positive side, amongst the largest contributors to the Fund's benchmark-relative results in the fourth quarter included the Portfolio's overweight exposures to the metals & mining sectors, as well as the underweight allocations to software, food products, and insurance.
- Security selection results within the machinery, life sciences tools & services, chemicals and household products sectors also aided relative performance during the quarter.
- The Fund's underweight to the single-B credit-quality tier detracted from benchmark-relative returns during the quarter.
- The Fund's underweight exposures to household durables, as well as an overweight to the textiles, apparel & luxury goods sector, hurt relative performance over the three-month period.
- An off-benchmark allocation to corporate bonds strongly contributed. Corporate bonds have shorter settlement cycles than loans, so they can be useful in maintaining liquidity.

Market Outlook and Positioning

- With an intermediate term backdrop of slowly decreasing inflation, we believe the Fed will likely take several months to pivot to rate cuts. Loans, as they feature floating rates, have very short durations; yet, they may have the potential to take advantage of higher front-end yields on the Treasury curve.
- Although the market is now assuming a "soft landing" for the economy, we believe the full effect on economic activity of the Fed's interest rate increases has yet to be felt. We believe the Fed is likely to closely monitor inflation and growth data in coming months, which will set the trajectory for rate cuts. Considering the prospects for short-term rates to remain higher for longer than the futures market projects, we continue to be positive on the leveraged loan market.
- With the price of the average loan in the mid-90s as of month-end, we believe loans have the ability to appreciate. As interest rate curve is steeply inverted, with short-term yields higher than long-term yields, we believe investors will recognize the attractiveness of asset classes priced off the front-end, such as loans.
- The Fed raised its short-term rate target by 75 bps both in September 2022 and November 2022, raised it by another 50 bps in December 2022, and then by 25 bps in February, March and May of 2023. These actions were followed by a pause in June and an increase by another 25 bps in July and pauses in September, November and December, with some possibility of potential increases anticipated by the futures market. We believe the "terminal rate," the highest rate in this cycle by the Fed, has been achieved.
- Collateralized loan obligation (CLO) activity has stabilized, and with many CLOs in the process of assembling portfolios, in our view, we see that helping to support loan prices.
- The default rate in the loan market has edged up slightly from near historic lows. The default rate as measured by issuer count resided at 2.05% as of December 31, 2023, according to Morningstar/LSTA. If the economy slides into recession, we would expect defaults to increase and be concentrated in the lower part of B and CCC loan ratings buckets.
- We expect technical factors within the loan market to remain favorable, as CLOs are the largest owners of loans. With maturities on many loans becoming relatively short, we believe the market is likely to experience a high level of issuance in 2024.

The Morningstar/LSTA US Performing Loan Index provides broad and comprehensive total return metrics of the US universe of syndicated term loans. 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.

The portfolio is actively managed and current information is subject to change. The sectors/holdings discussed should not be considered recommendations to buy or sell any security.

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.

First Lien – The first debt paid when a borrower defaults on debt with the property or asset used as collateral. First liens have payment priority over all other liens. (For example, a holding the first mortgage on a property has the first lien.)

Floor – An agreed-upon rate in the lower range of rates associated with a floating-rate product (used in derivative contracts and loan agreements).

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 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 strategy or 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. Floating rate investments are debt securities and other instruments with interest rates that adjust or "float" periodically based on a specified interest rate or other reference. 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. 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. 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 markets securities involves risks relating to interest rates, currency exchange rates, economic, and political conditions.

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.

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