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Amundi ASSET MANAGEMENT

Pioneer Floating Rate Fund

Performance Analysis and Market Commentary | June 30, 2023

Average Annual Total Returns for Class Y Shares

	1-Month	Quarter-to-Date	Year-to-Date	1-Year	3-Year	5-Year	10-Year
Pioneer Floating Rate Fund (FLYRX)	2.42%	2.68%	5.31%	8.19%	4.70%	2.89%	3.14%
Morningstar/LSTA US Performing Loan Index (Benchmark)	2.32%	3.20%	6.63%	10.97%	6.56%	4.30%	4.31%

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 Otherwise, fee waivers can be rescinded at any time.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

— The Federal Reserve (the Fed) raised interest rates by 25 **basis points** (bps) in May. However, it did not hike rates in June, adopting a “hawkish pause”. The “dot plot” of rate predictions indicated two further rate rises in 2023. US inflation (as measured by the Consumer Price Index) declined to 0.1% (month-on-month) in May, easing from a 0.4% increase in April amid a continued decline in the cost of energy. This brought down the annual rate to 4.0%. US growth surprised to the upside, with a 'soft landing' scenario now being the market consensus. On the credit front, US investment grade posted negative total returns, but outperformed Treasuries over the quarter. US high yield posted positive returns. The US 10-year yield climbed back from 3.47% to 3.81%, with the two-year moving from 4.03% to 4.87%, marking a further inversion of the curve.

— The Fund’s benchmark, the Morningstar/LSTA US Performing Loan Index (the Morningstar/LSTA Index), posted a 3.20% return for the second quarter, for a year-to-date return of 6.63%.

— Having fallen to a post-2008 crisis low of $76 in March 2020, loan prices closed 2022 at $92.44, and finished the second quarter of 2023 higher, at $94.24. The **yield-to-maturity** of the Morningstar/LSTA Index moved from 9.99% at the end of December 2022, to 10.41% at the close of June 2023.

See Glossary of Frequently Used Terms, for terms in bold.

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- By rating category, the lowest-quality loans topped higher-quality loans this quarter, as loan-market investors sought to raise their risk profiles over the three-month period. "BB" rated loans returned 2.81% in the second quarter, while single B's returned 3.25%, and "CCC" rated loans rose by 4.39%.
- Loan default rates edged up during the quarter but remained well below their historical average, increasing to 1.71% by principal amount, compared with 1.32% at the end of the first quarter of 2023*.

Performance Attribution vs. Benchmark – Class Y Shares

- Pioneer Floating Rate Fund's Class Y shares returned 2.68% in the second quarter, while the Fund's benchmark, the Morningstar/LSTA Index, returned 3.20%.
- The Fund's underweight to the single-B credit-quality tier detracted from benchmark-relative returns during the second quarter.
- The Fund's underweight exposures to construction materials as well as an overweight to aerospace & defense hurt relative performance over the three-month period.
- On the positive side, the largest contributors to the Fund's benchmark-relative results in the second quarter included the Portfolio's exposures to the professional services, automobile components and passenger airline sectors.
- Security selection results within the building products, healthcare technology and metals & mining sectors also aided relative performance during the second quarter.

Market Outlook and Positioning

- With an intermediate-term backdrop of persistently higher inflation and less-accommodative monetary policy from the Fed, we see limited scope for Treasury yields to move lower on a sustained basis. Loans, as they feature floating rates, have very short **durations**; yet, they have the potential to take advantage of higher front-end yields on the Treasury curve.
- Although we believe the probability of a recession has increased as the Fed seeks to control inflation, we remain positive on the prospects for the leveraged loan market. With the price of the average loan in the mid-90s as of quarter-end, we believe loans have the ability to appreciate, and that most loans will not be susceptible to being called. With high uncertainty over the path of inflation, we believe more investors may come to appreciate the high-current-yield potential loans have been offering.
- With the market expecting the Fed to continue to increase its short-term federal funds rate target in the coming months, we see the potential for further increases in the Fund's dividend**.
- The Fed raised its short-term rate target by 75 bps in both September and November, raised it by another 50 bps in December, and then by 25 bps in both February, March and May while pausing in June, with potential increases anticipated by the futures markets. This had led to increased income-generation from loans. We believe future rate increases are likely to be smaller, and that the Fed will soon be approaching its peak interest rate for this cycle, also known as the "terminal rate."
- Collateralized loan obligation (CLO) activity has stabilized, and with many CLOs in the process of assembling portfolios, we see that helping to support loan prices.
- The default rate in the loan market has edged up modestly from near historic lows. The default rate as measured by issuer count resided at 1.86% as of June 30, 2023, according to Morningstar/LSTA. If the economy slides into recession, we would expect defaults to increase; however, we would expect defaults to be concentrated in the "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. We also believe demand for loans may outstrip supply in 2023.

*Source: Morningstar/LSTA (Morningstar/Loan Syndications and Trading Association).
**Dividends are not guaranteed.

Performance Attribution: Additional Information
This performance attribution seeks to identify and quantify the drivers of portfolio performance relative to that of its benchmark. We use software to create hypothetical subportfolios by segmenting the portfolio and its benchmark, then measure the value (weight) and returns of those hypothetical subportfolios. This lets us measure the performance impact of a decision to overweight or underweight a portfolio segment. It also lets us measure the performance impact of a specific security selection within each segment.

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
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.
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).
Coupon Rate – The yield paid by a fixed-income security. A fixed-income security's coupon rate is simply just the annual **coupon** payments paid by the issuer relative to the bond's face, or par value.
Credit Spreads (or Spreads) – The differences in yield between two fixed-income securities with similar maturities.
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.
Excess Return - 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).
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 drop in price, such as purchasing a “put” (sell) 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.
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.
Real Yield – The yield provided by an investment once inflation is taken into account.
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.
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 – 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 6/30/23. 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.

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 recommendations.

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