Pioneer Strategic Income Fund

Performance Analysis and Market Commentary | March 31, 2024

Average Annual Total Returns for Class Y Shares

	Month-to-Date	Quarter-To-Date	Year-To-Date	1-Year	3-Year	5-Year	10-Year
Pioneer Strategic Income Fund (STRYX)	0.94%	0.45%	0.45%	5.46%	-0.51%	2.29%	2.76%
Bloomberg US Universal Index (Benchmark)	0.98%	-0.47%	-0.47%	2.67%	-2.11%	0.69%	1.83%

Gross expense ratio: 0.75% Net Expense Ratio: 0.70%

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 February 1, 2025, 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 Otherwise, fee waivers can be rescinded at any time.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 theme of the first quarter was stronger than expected growth and inflation. Fears of recession eased and markets pushed back the timing and pace of Federal Reserve (Fed) interest rate cuts during 2024. The expected timing of the first rate cut was pushed out from March to July, and the total amount of forecasted 2024 cuts dropped from six to three. US Treasury yields rose from 32 basis points (bps) to 37 bps across the curve, and the Bloomberg US Treasury Index returned -0.96%. The Bloomberg US Aggregate Bond Index outperformed Treasuries with a -0.78% total return, as most spread sectors outperformed. The one exception was Agency mortgage-backed securities (MBS), as measured by the Bloomberg US MBS Index, whose -1.04% return for the quarter was 0.14% worse than comparable Treasuries. Securitized credit performed strongly, led by the commercial MBS (CMBS) sector with a 0.85% total return, as measured by the Bloomberg CMBS Index, which was 1.45% better than Treasuries. Investment-grade corporate bonds, as measured by the Bloomberg US Corporate Index, outperformed Treasuries by 0.83% (-0.40% total return) as the index spread tightened nine bps. The Bloomberg US High Yield Index returned 1.47%. The Morningstar/LSTA Leveraged Loan Index rose 2.46%. The JPM Emerging Market (EM) Sovereign Debt gained 2.32%, and the JPM EM Corporates Index rose 2.32%. Oil prices, as measured by West Texas Intermediate Crude prices, surged 16% over the quarter. The US dollar, as measured by the US Dollar Index (DXY), rallied 3.2% as markets priced out the number of near-term Fed rate cuts.

Performance Review

— In the first quarter of 2024, Pioneer Strategic Income Fund's Class Y shares returned 0.45%, while the Fund's benchmark, the Bloomberg US Universal Index (the Bloomberg Index), returned -0.47%.

— Sector allocation benefited from outperformance of credit assets, including the 13% allocation to non-agency MBS, as the sector benefited from stable home prices, continued low supply in the face of strong demand, and bond tenders by the US Government Sponsored Entities (GSE). In addition, the 4% in catastrophe bonds and the 6% overweight to financials contributed, as well as the 2% in collateralized loan obligations (CLOs) and the 5% overweight to CMBS.

— Security selection reflected the benefit of strong performance within financials, industrials, and sovereigns, which more than offset underperformance within agency MBS. Financials saw strong performance of European banks. Industrials benefited from emerging market credits, including commodities-related issues. Sovereigns benefited from strong performance of Egypt, benefiting from an IMF package and UAE investment. Agency MBS were hurt by lower coupon exposures.

— The lower relative quality of the portfolio's holdings within financials and industrials contributed, as lower quality assets outperformed.

— Yield curve positioning contributed to performance.

— The relative long duration position of 0.69 years significantly detracted, as average U.S. yields rose over the quarter.

— Currency exposures detracted, as the Dollar rallied. In particular, the 1.8% in the Australian Dollar, the 0.77% Japanese yen position, and the 2% exposure to the Euro all underperformed.

Market Outlook and Positioning

— In our view, market-implied pricing of Fed rate cuts in 2024 is no longer unreasonable, and we believe we see good value in the front end of the Treasury curve (two to five year maturities). While market pricing of three 25 bps rate cuts in 2024 is a reasonable baseline for a soft-landing inflation scenario, one must consider other potential outcomes. We expect that a recessionary scenario could lead to significantly greater rate cuts, while the "no landing" scenario of more persistent inflation would only delay the start of rate cuts. As such, the overall distribution of outcomes for the Fed Funds rate in a year's time is skewed to the downside: the weighted average across future Fed Funds scenarios is lower than current market pricing. We remain concerned about a steepening of the yield curve, however. The US government deficit, at 6.3% of gross domestic product (GDP), is elevated by historical standards and could increase significantly in coming years if current laws governing taxes and spending generally remain unchanged. Budget deficit growth on its current projected path could increase Federal debt held by the public far beyond any previously recorded level, and we believe markets will likely demand a higher term premium to hold more Treasury notes and bonds. In the medium term, we see the elevated likelihood of a return of the "bond vigilantes" of the early 1990s – a scenario in which significantly higher long-term Treasury yields are required to force Congress to enact necessary fiscal adjustments to reduce deficits to a sustainable level. In terms of sector allocation, our views are largely unchanged, as relatively narrow spreads justify lower-than-normal exposure to spread risk, and we continue to selectively favor higher-quality and shorter-duration exposure within spread sectors.

The Bloomberg US Universal Index is unmanaged, and represents the union of the US Aggregate Index, the US High Yield Corporate Index, the 144A Index, the Eurodollar Index, the Emerging Markets Index, the non-ERISA portion of the CMBS Index, and the CMBS High Yield Index. Municipal debt, private placements and non-dollar-denominated issues are excluded. 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.

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.

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 March 31, 2024. 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. Investments in high-yield or lower rated securities are subject to greater-than-average price volatility, illiquidity and possibility of default. 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. The securities issued by U.S. Government-sponsored entities (e.g., FNMA, Freddie Mac) are neither guaranteed nor issued by the U.S. Government. The portfolio may invest in mortgage-backed securities, which during times of fluctuating interest rates may increase or decrease more than other fixed-income securities. Mortgage-backed securities are also subject to pre-payments. Investing in foreign and/or emerging markets securities involves risks relating to interest rates, currency exchange rates, economic, and political conditions.

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.

Securities offered through Amundi Distributor US, Inc.
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