COMMENTARY

Pioneer High Yield Fund

Performance Analysis & Commentary | March 2018

Fund Ticker Symbols: **TAHYX** (Class A); **TYHYX** (Class Y) **amundipioneer.com**

First Quarter Review

- The Fund's Class A shares returned –0.78% at net asset value in the first quarter, and Class Y shares returned –0.70%, while the Fund's benchmarks, the ICE Bank of America Merrill Lynch (BofA ML) US High Yield Index and the ICE BofA ML All Convertibles Speculative Quality Index, returned –0.91% and –0.01%, respectively.
- The portfolio's allocation to out-of-benchmark asset classes such as catastrophe bonds (insurance-linked securities), convertible bonds, and bank loans contributed positively to the Fund's benchmark-relative performance in the first quarter. Security selection among corporate bond holdings, the portfolio's higher-quality bias versus the benchmark, and the Fund's equity allocation detracted from relative returns.
- The default rate for high-yield bonds remains well below historical averages, and we maintain a constructive outlook with respect to both the US economy and overall corporate credit fundamentals.

High-yield securities finished the first quarter in negative territory, as the ICE BofA ML US High Yield Index (the ICE BofA ML Index) returned –0.91%. Negative performance in the high-yield market was broad based, with automotive and banking the worst-performing sectors. Lower-quality bonds outperformed higher-quality bonds this quarter, as securities rated CCC returned 0.92%, while BBs and Bs returned –1.66% and –0.70%, respectively.

Following a sell-off in equities in late January and early February, spreads on the ICE BofA ML Index widened by14 basis points (bps) during the quarter. (A basis point is equal to 1/100th of a percentage point, or 0.01%. Credit spreads are commonly defined as the differences in yield between Treasuries and other types of fixed-income securities with similar maturities.) In addition to the widening of spreads, yields along the US Treasury curve steepened, as the two-year Treasury yield rose from 1.89% at the beginning of the year to 2.27% by the end of the quarter, and the 10-year Treasury yield rose from 2.41% to 2.74% over the three-month period.

Sector Allocation and Security Selection

The Fund's outperformance of the ICE BofA ML Index this quarter was driven by the portfolio's allocation to out-of-benchmark asset classes such as catastrophe bonds, convertible bonds, and bank loans. Within the Fund's allocation to convertibles, holdings in the health care and technology sectors were the main drivers of positive performance.

Security selection results within the Fund's corporate bond allocation detracted from relative returns this quarter, with holdings in the health care, services, and basic industry sectors the main laggards. In addition, the Fund's equity exposure detracted from performance in the first quarter, as the portfolio's real estate-related holdings produced negative returns. As noted earlier, lower-quality bonds outperformed higher-quality bonds this quarter. Therefore, the Fund's natural underweight to CCCs, given the portfolio's higher-quality bias, was also a detractor from relative results.

Current Positioning

We continue to overweight the Fund to the health care sector through allocations to both corporate bonds and convertible bonds. We believe the sector may be poised to benefit from further capital appreciation in 2018. The portfolio remains underweight to the retail sector, which continues to struggle and is, historically, a sector that has exhibited low recovery rates during restructurings.

We have also maintained the portfolio's higher-quality bias. As such, it remains underweight relative to the benchmark in securities rated CCC and below. In general, we have been increasing the Fund's weighting in B-rated securities, when possible, relative to BBs and CCCs. BBs have a higher correlation with interest-rate increases and crossover demand, while CCCs appear too rich due to their recent outperformance. Therefore, in our view, B-rated credits offer the best risk/return potential for the Fund.

We continue to seek portfolio diversification* and relative value by carrying out-of-index exposures, including convertibles and insurance-linked securities (including catastrophe bonds). We remain constructive on insurance-linked bonds, as they are uncorrelated with the financial markets. Over the long term, we believe that can provide diversification benefits and may help enhance the risk/return profile of the Fund.

High Yield Market Outlook

The default rate for high-yield bonds remains well below historical averages, and we maintain a constructive outlook with respect to both the US economy and overall corporate credit fundamentals, as strong earnings and a record pace of debt refinancing has enabled an extension of the credit cycle.

Despite some market outflows, the supply side within the high-yield market has remained quite disciplined, with moderate net new issuance over recent months. This has allowed spreads to remain largely range-bound (340 to 370 bps), despite volatility in other "risk" asset (equity) markets.

The Federal Reserve is expected to continue to gradually hike interest rates, and the tapering of its bond portfolio will inevitably lead to some tightening of credit conditions. That said, the high-yield market has tended to be less interest-rate sensitive than other fixed-income market segments.

We have been evaluating the impact of the recent US tax reform legislation on various sectors and companies, and have been repositioning the Fund's holdings accordingly. Overall, lower tax rates could have a positive impact on high yield as an asset class. However, the scaling back of interest deductibility may negatively affect the more leveraged high-yield issuers. Looking ahead, any movement in Washington on an infrastructure spending bill has the potential to boost market sentiment.

We view the overall composition of the high-yield market as healthy, with an improving quality profile across a range of industries. While high-yield valuations are somewhat extended, we believe overall conditions remain supportive of the asset class.

*Diversification does not assure a profit nor protect against loss.

Performance Review

Pioneer High Yield Fund's Class A shares returned –0.78% at net asset value in the first quarter, and Class Y shares returned –0.70%, while the Fund's benchmarks, the ICE Bank of America Merrill Lynch (BofA ML) US High Yield Index and the ICE BofA ML All Convertibles Speculative Quality Index, returned –0.91% and –0.01%, respectively.

Average Annual Total Return (Class A shares)

March 31, 2018	(at NAV)	(at POP)	ICE BofA ML US High Yield Index	ICE BofA ML All Convertibles Speculative Quality Index
1 year	3.54%	–1.16%	3.69%	7.65%
3 years	3.78%	2.20%	5.18%	6.70%
5 years	4.26%	3.30%	5.01%	7.74%
10 years	6.31%	5.81%	8.12%	8.31%

Average Annual Total Return (Class Y shares)

March 31, 2018	(at NAV)	ICE BofA ML US High Yield Index	ICE BofA ML All Convertibles Speculative Quality Index
1 year	3.82%	3.69%	7.65%
3 years	4.12%	5.18%	6.70%
5 years	4.59%	5.01%	7.74%
10 years	6.71%	8.12%	8.31%

Expense Ratios (As of prospectus dated March 1, 2018)

Class A shares: Gross, 1.15% **Class Y shares:** Gross, 0.87%

Call 1-800-225-6292 or visit amundipioneer.com 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.

NAV results represent the percent change in net asset value per share. Returns would have been lower had sales charges been reflected. POP returns reflect deduction of the maximum 4.50% sales charge at the beginning of the period. All results are historical and assume the reinvestment of dividends and capital gains. Other share classes are available for which performance expenses will differ.

Class Y shares are not subject to sales charges and are available for limited groups of eligible investors, including institutional investors.

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 for more information.

A Word about Risk:

Investments in high-yield or lower-rated securities are subject to greater-than-average price volatility, illiquidity and possibility of default.

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 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.

The Fund may use derivatives, such as options, futures, inverse floating rate obligations, swaps, and others, which can be illiquid, may disproportionately increase losses, and have a potentially large impact on Fund performance. Derivatives may have a leveraging effect on the Fund.

At times, the Fund's investments may represent industries or industry sectors that are interrelated or have common risks, making it more susceptible to any economic, political, or regulatory developments or other risks affecting those industries and sectors.

These risks may increase share price volatility.

The ICE Bank of America Merrill Lynch US High Yield Index is an unmanaged, commonly accepted measure of the performance of high-yield securities. The ICE Bank of America Merrill Lynch All-Convertibles Speculative Quality Index is an unmanaged index of high-yield US convertible securities. Index returns are calculated monthly, assume reinvestment of dividends and, unlike mutual fund returns, do not reflect any fees or expenses associated with a mutual fund. It is not possible to invest directly in an index.

The views expressed in this commentary are those of the portfolio manager and are subject to change at any time. These views do not necessarily reflect the views of Amundi Pioneer or others in the Amundi Pioneer organization and should not be relied upon as investment advice, as securities recommendations, or as an indication of trading intent on behalf of any Amundi Pioneer investment product.

Top 10 Holdings

		% of Portfolio as of March 31, 2018
1.	Sprint, 7.25%, 9/15/21	2.14%
2.	Valeant Pharmaceuticals International, 5.875%, 5/15/23 (144A)	1.66%
3.	United States Treasury Floating Rate Note, 4/30/18	1.45%
4.	Crown Cork & Seal, 7.375%, 12/15/26	1.15%
5.	US Treasury Bills, 0.00%, 4/26/18	1.11%
6.	KB Home, 7.00%, 12/15/21	1.02%
7.	Lennar, 4.75%, 11/15/22	0.90%
8.	Viking Cruises, 5.875%, 9/15/27 (144A)	0.87%
9.	Nationstar Mortgage, 6.50%, 7/1/21	0.83%
10.	Videotron, 5.375%, 6/15/24 (144A)	0.82%

The portfolio is actively managed, and current holdings may be different. The holdings listed should not be considered recommendations to buy or sell any security listed.

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

Individuals are encouraged to seek advice from their financial, legal, tax, and other appropriate advisers 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 Pioneer does not provide investment advice or investment recommendations.