COMMENTARY

Pioneer Fund

Performance Analysis & Commentary | June 2018

Fund Ticker Symbols: **PIODX** (Class A); **PYODX** (Class Y) **us.amundipioneer.com**

Second Quarter Review

- The Fund's Class A shares returned 2.38% at net asset value in the second quarter, and Class Y shares returned 2.41%, while the Fund's benchmark, the Standard & Poor's 500 Index (the S&P 500), returned 3.43%.
- The Fund's absolute return was positive for the quarter, but it lagged the S&P 500's performance as stock selection results in consumer discretionary, energy, and telecommunication services as well as a portfolio overweight to the underperforming industrials sector detracted from benchmark-relative returns.
- Stock selection in health care and consumer staples, and a portfolio underweight to consumer staples benefited the Fund's benchmark-relative performance in the second quarter.
- Looking ahead, we have not changed our outlook and still have a constructive view of the US stock market, especially given other investment alternatives. Economic growth continues to improve and stock valuations, in our view, are not excessive.

After declining in the first quarter of the year due to concerns about trade policy, the Fund's benchmark, the S&P 500, rose by 3.43% in the second quarter, due to a 23% increase in first-quarter corporate earnings per share, driven in part by tax reform. The gain in the second quarter brought the year-to-date return (through June 30) for the S&P 500 up to 2.65%. Despite strong earnings growth across most sectors and optimism regarding economic growth for the balance of the year, the performance of cyclical sectors lagged the returns of the overall market over concerns that rising interest rates would cause economic growth to slow. Investors instead continued to favor high-growth stocks, despite, in many cases, their high valuations. As a result of the market's high-growth bias, growth stocks outperformed value stocks in the second quarter, as the Russell 1000 Growth Index returned 5.76% and the Russell 1000 Value Index returned 1.18%.

Within the S&P 500, the highest returns came from the energy (+13.5%), consumer discretionary (+8.1%), and information technology (+7.1%) sectors, while industrials (–3.2%), financials (–3.2%), and consumer staples (-2.2%) lagged.

In their first-quarter earnings report commentaries, companies were mostly upbeat about US economic growth prospects, but cited rising wages and rising input costs as potential earnings headwinds. Despite the underlying strength in the US economy, there was some concern about the sustainability of US growth in light of broader macroeconomic risks, including rising interest rates, economic and currency weakness in several emerging markets, and ongoing trade tensions.

Sector Allocation and Security Selection

The Fund's absolute return was positive for the quarter, but it lagged the S&P 500's performance as stock selection results in consumer discretionary, energy, and telecommunication services as well as a portfolio overweight to the underperforming industrials sector detracted from benchmark-relative returns. On the positive side, stock selection in health care and consumer staples, and a portfolio underweight to consumer staples benefited the Fund's benchmark-relative performance in the second quarter.

With regard to individual detractors, a large portion of the Fund's benchmark-relative underperformance in the second quarter was attributable to the portfolio not holding two high-valuation stocks in the benchmark that performed well: Amazon.com and Netflix. We avoided those companies because we prefer to invest in stocks that are trading at more modest valuations. Other detractors from benchmark-relative returns during the three-month period included the Fund's position in JPMorgan Chase, which dropped by almost 5% over the quarter as the difference between yields on the two-year and 10-year US Treasury bonds narrowed, indicating an increased risk of recession down the road. A position in AT&T also detracted from the Fund's relative returns as investors attempted to arbitrage the stock while AT&T's proposed the merger with Time Warner was under review. Ultimately, the merger was approved and we are constructive on the company's outlook going forward. (Arbitrage is the simultaneous purchase and sale of an asset in an attempt to profit from an imbalance in its price.)

Individual portfolio holdings that contributed positively to the Fund's benchmark-relative performance in the second quarter included EOG Resources, UnitedHealth Group, and Alphabet. EOG Resources is an energy exploration-and-production company that derives most of its production from shale gas. EOG's stock rallied by more than 18% as the price of oil increased over the quarter. UnitedHealth, one of the top health insurers in the US, saw its stock price increase by 15% for the quarter as the company continued to execute on its business plan. Shares of Alphabet (the parent of Google) rose by nearly 9% for the three-month period as the company beat analysts' expectations on both the top and bottom lines.

Trading Activity

During the second quarter, we initiated four new Fund positions, adding American Express (Amex), Bank of America, Costco Wholesale, and United Parcel Service (UPS). Amex has been successful in strengthening its leadership position in the premium credit card market. In addition, the company has been having success in growing its Large & Global Corporate commercial payments segment. We believe solid billings-credit growth overall, coupled with Amex's ability to maintain solid credit charge-off expenses, should enable the company to hit its full-year 2018 earnings target. We purchased Bank of America because we believe the bank is better positioned than Citigroup, which has a more global business model and could come under greater pressure if a full-blown trade war breaks out. We added Costco to the portfolio because it is one of the few retailers that has continued to achieve solid same-store sales growth, despite the continued growth of Amazon. Costco has shown stability in its membership renewal rates, which had been a previous area of concern for us. In addition, Costco has attractive growth prospects outside the US, which we believe should help the company achieve its sales growth targets. We also added UPS to the portfolio this quarter, as the company's shares now trade at a very reasonable valuation. In addition, we believe UPS is finally addressing its network by increasing capital spending to improve efficiency and by taking price increases to fully reflect the value delivered to customers.

Among several sales from the portfolio in the second quarter were positions in Citigroup, Gilead Sciences, McCormick & Co., PPG Industries, and Yum! Brands. We sold McCormick as the stock was near our price target and we were concerned that the valuation compression in other food and consumer stocks would eventually affect McCormick's shares. We also sold PPG Industries because we were concerned that increased raw materials costs would cause the company's operating margins to contract and come in below analyst expectations, while PPG experienced a one- to two-quarter lag in its ability to raise prices to fully offset the cost pressures. We sold Yum! Brands because we felt the stock had reached full valuation.

Current Outlook and Positioning

Looking ahead, we have not changed our outlook and still have a constructive view of the US stock market, especially given other investment alternatives. Economic growth continues to improve and stock valuations, in our view, are not excessive.

Although the business cycle appears to have been in an upward trajectory for many years now since the great recession of 2008/2009, the recovery still has been modest by historical standards, and we do not believe that business cycles die of old age. We acknowledge the risks involved with the current transition as the Federal Reserve moves from an expansionary monetary policy to a neutral, or possibly slightly-restrictive policy. We also believe there is a risk that potential trade wars could slow the global economy. However, we believe both risks can be managed and that investors' heightened awareness of the risks can actually have a benefit, as it could help in tamping down irrational exuberance.

At the end of the second quarter, the Fund's largest overweights relative to the S&P 500 are in the industrials and information technology sectors, while the largest portfolio underweights are in the consumer discretionary and utilities sectors.

Performance Review

Pioneer Fund's Class A shares returned 2.38% at net asset value in the second quarter, and Class Y shares returned 2.41%, while the Fund's benchmark, the Standard & Poor's 500 Index (the S&P 500), returned 3.43%.

Average Annual Total Return (Class A shares)

June 30, 2018	(at NAV)	(at POP)	S&P 500 Index
1 year	13.51%	6.99%	14.37%
3 years	10.30%	8.14%	11.93%
5 years	11.85%	10.53%	13.42%
10 years	8.12%	7.48%	10.17%

Average Annual Total Return (Class Y shares)

June 30, 2018	(at NAV)	S&P 500 Index
1 year	13.74%	14.37%
3 years	10.56%	11.93%
5 years	12.14%	13.42%
10 years	8.49%	10.17%

Expense Ratio (As of prospectus dated May 1, 2018)

Class A shares: Gross, 0.94%

Class Y shares: Gross, 0.69%

Call 1-800-225-6292 or visit us.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.

POP returns reflect deduction of the maximum 5.75% sales charge at the beginning of the period. NAV results represent the percent change in net asset value per share. Returns would have been lower had sales charges been reflected. All results are historical and assume the reinvestment of dividends and capital gains. Other share classes are available for which performance and 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:

The Fund generally excludes corporate issuers that do not meet or exceed minimum ESG standards. Excluding specific issuers limits the universe of investments available to the Fund, which may mean forgoing some investment opportunities available to funds without similar ESG standards.

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.

The S&P 500 Index is an unmanaged, commonly used measure of the broad US stock market. Index returns are calculated monthly, assume reinvestment of dividends and, unlike Fund returns, do not reflect any fees, expenses or sales charges. It is not possible to invest directly in an index.

The views expressed in this commentary are those of the portfolio managers 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.

The Fund performance attribution information shown below does not reflect the deduction of fees, charges and expenses associated with investing in the Fund, such as sales charges, management fees, distribution and service (12b-1) fees, or any other fees associated with the Fund. Such expenses would reduce the overall returns shown.

Please refer to the average annual total returns table for performance that reflects the deduction of these fees and charges.

Chart 1- Average Weight

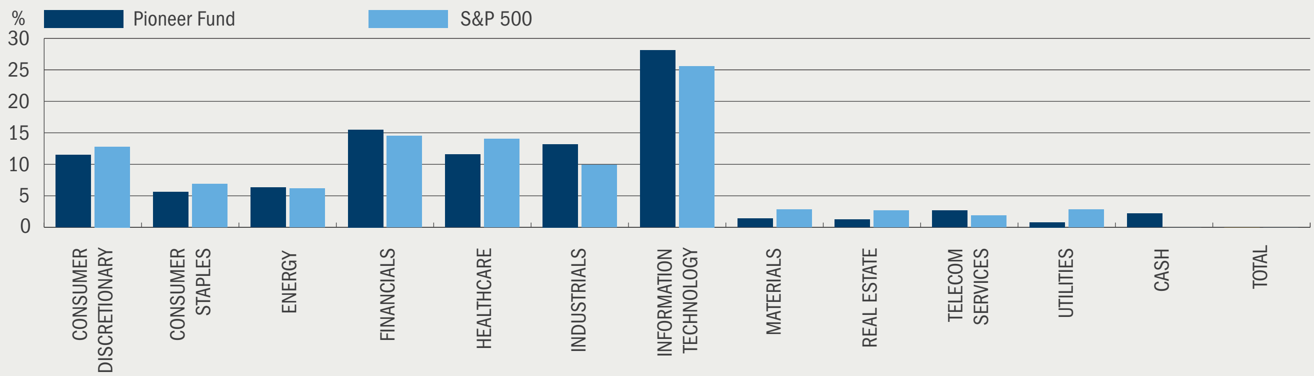


Chart 2- Return

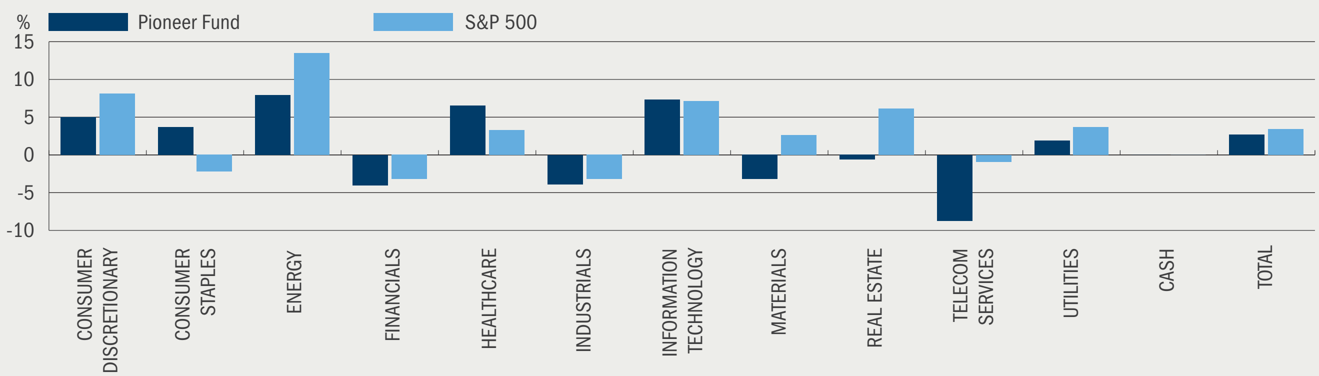
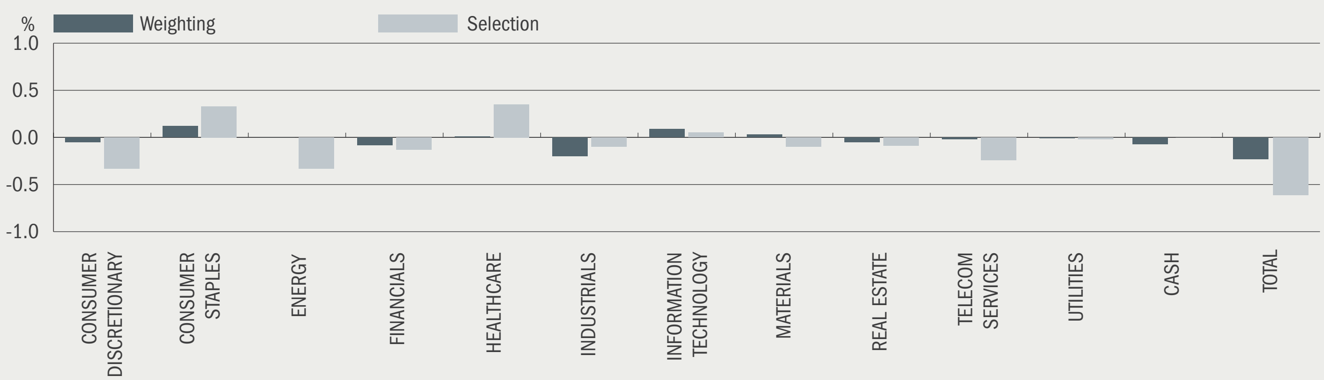


Chart 3- Performance Attribution



Please see the last page for more background information about Performance Attribution.

Securities Discussed

	% of Portfolio as of June 30, 2018
JPMorgan Chase	4.57%
AT&T	3.26%
EOG Resources	2.46%
United Health Group	3.09%
Alphabet	5.90%
American Express	1.93%
Bank of America	1.95%
Costco	1.47%
UPS	1.08%

Top 10 Holdings

		% of Portfolio as of June 30, 2018
1.	Microsoft	5.91%
2.	Alphabet	5.90%
3.	Apple	4.79%
4.	JPMorgan Chase	4.57%
5.	Lowe's	3.70%
6.	PepsiCo	3.48%
7.	AT&T	3.26%
8.	McDonald's	3.24%
9.	UnitedHealth Group	3.09%
10.	The Home Depot	3.00%

Performance Attribution: Background

This performance attribution seeks to identify and quantify the drivers of portfolio performance relative to that of a benchmark. How much of a return difference was due to different exposures to asset class, country, sector or similar factors? How much was due to specific securities?

Here's how we answer the question for equity portfolios:

Using FactSet software, we 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.

→ Chart Presentation

We present attribution results using three graphs. Chart 1 shows the allocation of the portfolio across different segments (industries/sectors/countries, etc.). Overweights and underweights are visible. Chart 2 shows the returns of each portfolio and corresponding benchmark segment. Success at security selection is easily spotted. By using the data underlying the first two graphs, we calculate the data for Chart 3, the impact of Weighting and Selection decisions on benchmark-relative return.

→ Weighting Impact

It pays to overweight portfolio segments which perform better than average. The weighting impact measures the impact of the decision to overweight or underweight particular asset classes relative to benchmark weightings. In our model, the value added by an overweight, or its weighting impact is defined as the size of the overweight (portfolio weight minus benchmark weight) times the payback (the return of the overweighted asset minus the return of the entire benchmark). A positive allocation effect arises from being overweight sectors/countries that produce a greater return than the benchmark average or being underweight a sector/country that underperforms the benchmark return.

The formula for calculating the weighting impact is: **(Portfolio weight – Benchmark weight) x (Benchmark segment return-Benchmark total return)**

→ Selection Impact

Within each segment, it pays to overweight securities which outperform. The selection effect evaluates the manager's skill at choosing outperforming securities. In our model, the value added by specific selection, or selection impact, is defined as the weight of the portfolio position times the difference between the position's return and the benchmark return.

The formula for calculating the weighting impact is: **(Portfolio weight) x (Portfolio segment return – Benchmark segment return)**

→ Important Notes

We are presenting results of a two-factor model. We also use a three-factor model, which has an "interaction effect." The two- and three-factor models are quite similar; we have chosen the two-factor approach for its greater ease of use. The real world is far more complex than any two-factor model can accurately describe. Performance attribution models can deepen understanding, but their limitations–they are just estimates–must be remembered. Actual portfolios have fees and expenses. Our performance attributions ignore fees and expenses: the hypothetical portfolios used in performance attribution are before fees and costs.