COMMENTARY

Pioneer Fund

Performance Analysis & Commentary | December 2017

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

Fourth Quarter Review

- The Fund's Class A shares returned 6.37% at net asset value in the fourth quarter, and Class Y shares returned 6.42%, while the Fund's benchmark, the Standard & Poor's 500 Index (the S&P 500), returned 6.64%.
- The top contributors to the Fund's benchmark-relative performance in the fourth quarter were overall asset allocation results and stock selection results in the consumer discretionary sector.
- The biggest detractors from the Fund's relative returns this quarter were stock selection results in information technology and health care.
- As we look ahead to 2018, we believe conditions for the US stock market are favorable. Economic growth continues to improve and stock valuations, in our view, are not excessive.

US stocks maintained their positive momentum in the fourth quarter, with the Fund's benchmark, the Standard & Poor's 500 Index (the S&P 500), gaining 6.64% for the quarter, pushing its total return for the full calendar year to 21.82%. Growth stocks retained their performance edge over value stocks during the quarter, as the Russell 1000 Growth Index returned 7.86%, besting the 5.33% return for the Russell 1000 Value Index. Those returns were 30.21% and 13.66%, respectively, for the full 2017 calendar year, the largest performance disparity between growth and value stocks since 1999. Volatility remained low during the quarter.

Within the S&P 500, all 11 market sectors posted positive results for the quarter, led by consumer discretionary (+9.9%), information technology (+9.0%), and financials (+8.6%). Meanwhile, utilities (+0.2%), health care (+1.5%), and real estate (+3.2%) were the worst-performing sectors in the S&P 500 in the fourth quarter.

Sector Allocation and Security Selection

The top contributors to the Fund's benchmark-relative performance in the fourth quarter were overall asset allocation results and stock selection results in the consumer discretionary sector. Asset allocation results benefited most from the Fund's overweight to the strong-performing information technology sector. The biggest detractors from the Fund's relative returns this quarter were stock selection results in information technology and health care.

With regard to individual holdings, the Fund's benchmark-relative performance was aided this quarter by positions in Lowe's, Home Depot, and JPMorgan Chase. Home Depot reported solid results that exceeded Street expectations. In addition, the company reaffirmed its 2017-year earnings guidance. We believe Home Depot's management should be able to execute on its long-term guidance of 4.5% to 6% sales growth for 2020, with operating margins between 14.4% and 15.0%. The company's solid growth prospects were demonstrated by management's announcement of a new $15 billion share repurchase program. Another home improvement company, Lowe's, also reported solid results that exceeded Street expectations, while reaffirming 2017 guidance as well. We think the company should benefit from the rational competitive landscape that Home Depot's management laid out at its analyst day meeting in December. In financials, JPMorgan Chase continues to execute well across its franchise. The bank reported third quarter results that beat expectations on both the top and bottom lines, as solid US economic growth coupled with the healthy state of the consumer has enabled it to gain market share, while also delivering better-than-expected credit losses.

Holdings that detracted from the Fund's benchmark-relative performance in the fourth quarter included Merck, Schlumberger, and Kansas City Southern. Pharmaceutical firm Merck's stock came under pressure during the quarter as sales of its Keytruda product were only in-line with analysts' expectations. More importantly, results for the company's Keynote-189 product were pushed back until February 2019, which raised concerns that competitors will gain market share in the interim. In addition, sales of Merck's diabetes franchises, Januvia and Janumet, were down by 2% due to increased competition. Oilfield services firm Schlumberger struggled this quarter, reporting results that were only in-line with Street expectations. The stock came under pressure as management highlighted the fact that investment in North American shale drilling was moderating. In addition, Schlumberger's capital-expenditure budget was modestly scaled back from $2.2 billion to $2.1 billion, which led to investor angst. Railroad Kansas City Southern underperformed versus its peers this quarter due to market concerns that President Trump will pull the US out of the North American Free Trade Agreement, thus leading to reduced trade between the US and Mexico.

Trading Activity

During the fourth quarter, we added six holdings to the Fund, while exiting eight positions. Additions included Halliburton, Lincoln Electric, MasterCard, Southern Copper, Time Warner, and Total. Meanwhile, we sold Celgene, Check Point Software, CVS Health, the aforementioned Schlumberger, Starbucks, US Bancorp, Visa, and Zoetis.

We initiated a position in Lincoln Electric because we believe the welding business will continue to consolidate and is becoming an attractive oligopoly. Lincoln Electric continues to integrate its 2017 acquisition of Air Liquide's welding business. The acquisition provided scale as well as the potential to improve operating margins in Europe as the two units are integrated. We established a position in Time Warner after the stock slumped in the wake of US Department of Justice's challenge to AT&T's acquisition of the company. We believe that the deal will be completed, however, and even if it is not, we believe Time Warner is undervalued. The company has been beating expectations over the past several quarters, but has not been getting any credit for this from the market due to its pending acquisition by AT&T.

We established a position in Total because we liked management's focus on cutting the company's break-even oil price as well as its ability to execute on strategy. For instance, Total's management has recently taken over as the operator of the giant Al-Shaheen field in Qatar and announced the acquisition of Maersk Oil in order to strengthen the company's North Sea operations. Total reported a solid $2.1 billion in free cash flow in the third quarter, which gives us confidence that management can maintain the current dividend* yield.

As for sales this quarter, we exited the Fund's Starbucks position, as the company's latest quarterly results were disappointing. Starbucks' same-store comps (2%) were below expectations of 3.2%. In addition, we were concerned that the recent handoff of the company's day-to-day operations from Howard Schultz to Kevin Johnson, and the closing of its Teavana retail stores may lead to a further slowdown in sales growth in Starbucks' core coffee business. We sold the Fund's position in Celgene as we were concerned that the company's core drug, Revlimid, would face generic competition faster than Wall Street was expecting. Shares of CVS were sold after the company reported disappointing sales in its retail/long-term care segment. Same-store sales were down by 3.2%, while front-store sales were down by 2.8%. The negative same-store sales makes it harder for CVS to improve its operating margins. Finally, we exited the Fund's positions in US Bancorp and Zoetis this quarter, as each stock had reached our target price. We reallocated the proceeds into other holdings.

Current Outlook and Positioning

As we look ahead to 2018, we believe conditions for the US stock market are favorable. Economic growth continues to improve and stock valuations, in our view, are not excessive. We do think that corporate earnings growth will be key to further stock market gains, as the Federal Reserve is expected to continue tightening US monetary policy, and that looks to be a market headwind over the intermediate term.

Our focus remains on identifying stocks of higher-quality companies within both the value and growth universes. The Fund ended the fourth quarter with overweights relative to the S&P 500 in more economically sensitive sectors such as information technology and financials. The Fund's largest benchmark-relative underweights as of the end of 2017 are in the consumer discretionary and health care sectors.

*Dividends are not guaranteed.

Performance Review

Pioneer Fund's Class A shares returned 6.37% at net asset value in the fourth quarter, and Class Y shares returned 6.42%, while the Fund's benchmark, the Standard & Poor's 500 Index (the S&P 500), returned 6.64%.

Average Annual Total Return (Class A shares)

December 31, 2017	(at NAV)	(at POP)	S&P 500 Index
1 year	21.54%	14.56%	21.82%
3 years	9.87%	7.72%	11.40%
5 years	14.37%	13.02%	15.78%
10 years	6.83%	6.20%	8.49%

Average Annual Total Return (Class Y shares)

December 31, 2017	(at NAV)	S&P 500 Index
1 year	21.85%	21.82%
3 years	10.16%	11.40%
5 years	14.69%	15.78%
10 years	7.20%	8.49%

Expense Ratio (As of prospectus dated May 1, 2017)

Class A shares: Gross, 0.98%

Class Y shares: Gross, 0.73%

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.

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:

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 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.

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

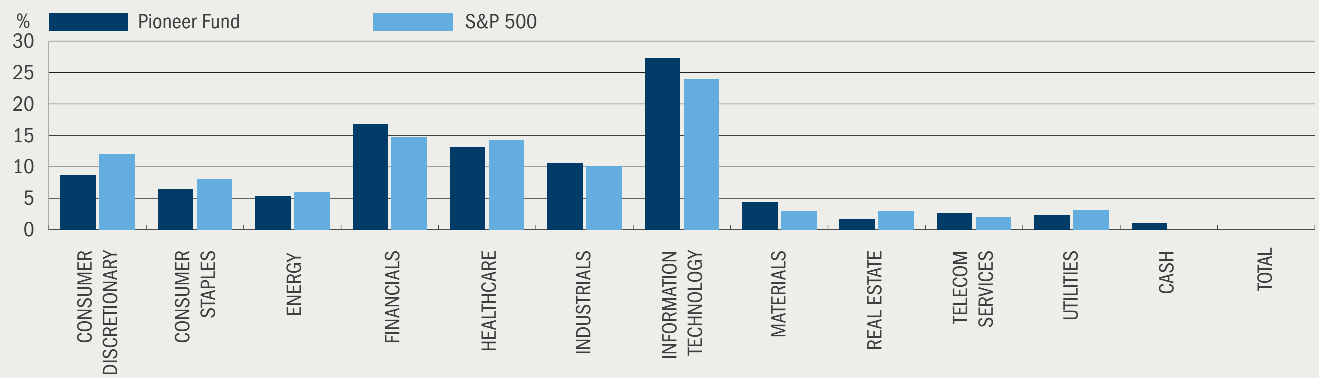

Chart 2- Return

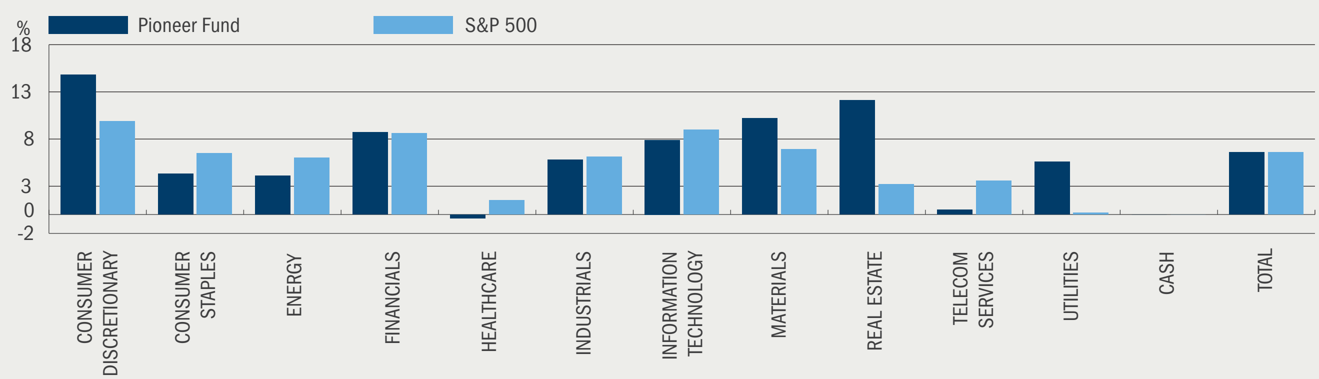

Chart 3- Performance Attribution

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

Securities Discussed

	% of Portfolio as of December 31, 2017
Lowe's	3.84%
Home Depot	2.67%
JPMorgan Chase	4.68%
Merck	1.91%
Kansas City Southern	2.51%
Halliburton	0.66%
Lincoln Electric	0.81%
MasterCard	1.96%
Southern Copper	1.46%
Time Warner	0.85%
Total	1.42%

Top 10 Holdings

		% of Portfolio as of December 31, 2017
1.	Alphabet	5.80%
2.	Microsoft	4.98%
3.	JPMorgan Chase	4.68%
4.	Apple	4.59%
5.	Lowe's	3.84%
6.	UnitedHealth Group	3.40%
7.	EOG Resources	3.31%
8.	Citigroup	3.03%
9.	AT&T	2.94%
10.	FedEx	2.89%

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.

The investments you choose should correspond to your financial needs, goals, and risk tolerance. For assistance in determining your financial situation, please consult an investment professional.

Neither Amundi Pioneer, nor its representatives are legal or tax advisors. In addition, Amundi Pioneer does not provide advice or recommendations. The investments you choose should correspond to your needs, goals, and risk tolerance. For assistance in determining your financial situation, please consult an investment professional.

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.