

Pioneer Multi-Asset Income Fund

Commentary | March 25, 2020

Market Outlook – Markets are Likely to Remain Volatile

- Markets are likely to remain volatile, driven by virus news flow and the associated economic consequence. Our expectation is for a significant decline in global output, with widespread damage reaching through Europe and Asia, whose economies are more dependent upon exports. Stock markets in these regions are close to valuations suggesting discount of a recession, but the US has yet to fully price in this same outcome.
- The above notwithstanding, a recession in the US appears increasingly likely, but may be short lived given extensive monetary and fiscal stimulus initiatives that are being pursued. The US economy is more consumer driven, and we believe the consumer should benefit from both lower rates and lower energy prices. However, with that said, we believe S&P 500 earnings will experience a material downward revision due to the global complexion of its revenue profile, and the fact that all activity has effectively ground to a halt for 45-60 days.
- To address these concerns, Portfolio Management adopted a more defensive posture through reduction of net equity exposure to just over 30% via outright sales of common stocks, plus maintenance of pre-existing **hedges**.
- Stock sales were executed across all segments of the portfolio, including our previously noted overweight positions in financials and energy infrastructure. Through these efforts, the Fund has raised its exposures to cash and cash equivalents.
- While it is difficult to determine the length of time it will ultimately take for life to return to some type of normalcy following coronavirus, not to mention the net impact this has, and will continue to have upon global markets, these dislocations are creating attractive opportunities that can generate both income and capital appreciation in the periods to come. Accordingly, it is our intention to redeploy accumulated cash at a measured pace as we identify compelling ideas. We believe value is available in both equity and fixed income markets alike.
- To pursue the Fund's income objectives, we continue to diversify* across a variety of global fixed income and equity sectors. Within fixed income, the Fund is modestly raising its exposure to high yield, investment grade and securitized asset classes in response to widening **spreads** that have resulted from liquidity stress. Equity-linked notes have also been playing an important role as the volatility surface has spiked, thereby allowing potentially for a much richer yield production to be captured in all new contracts.

*Diversification does not assure a profit or protect against loss.

Glossary of Frequently Used Terms

Alpha – measures risk-adjusted performance, representing excess return relative to the return of the benchmark. A positive alpha suggests risk-adjusted value added by the manager versus the index.

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.

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).

Credit spreads (or spreads) – The differences in yield between Treasuries and other types of fixed-income securities with similar maturities.

Dividend yield – refers to a stock's annual dividend payments to shareholders, expressed as a percentage of the stock's current price.

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.

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.

Price to Earnings (P/E) Ratio – The price of a stock divided by its earnings per share.

Standard Deviation – A statistical measure of the historic volatility of a portfolio; a lower standard deviation indicates historically less volatility.

Trailing P/E (price/earnings) – The sum of a company's price-to-earnings, calculated by taking the current stock price and dividing it by the trailing earnings per share for the past 12 months.

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.

A Word about Risk

All investments are subject to risk, including the possible loss of principal. Pioneer Multi-Asset Income ("MAI") Fund has the ability to invest in a wide variety of securities and asset classes. **Equity-linked notes (ELNs) may not perform as expected** and could cause the fund to realize significant losses including its entire principal investment. Other risks include the risk of counterparty default, liquidity risk and imperfect correlation between ELNs and the underlying securities. **High yield bonds possess greater price volatility, illiquidity, and possibility of default. Investments in fixed income securities involve interest rate, credit, inflation, and reinvestment risks.** As interest rates rise, the value of fixed income securities falls.

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 Fund 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 invest in subordinated securities** which may be disproportionately adversely affected by a default or even a perceived decline in creditworthiness of the issuer.

International investments are subject to special risks including currency fluctuations, social, economic and political uncertainties, which could increase volatility. These risks are magnified in emerging markets. **The Fund may invest in inflation-linked securities.** As inflationary expectations increase, inflation-linked securities may become more attractive, because they protect future interest payments against inflation. Conversely, as inflationary concerns decrease, inflation-linked securities will become less attractive and less valuable. **The Fund may invest in event-linked bonds.**

The return of principal and the payment of interest on event-linked bonds are contingent on the non-occurrence of a pre-defined "trigger" event, such as a hurricane or an earthquake of a specific magnitude. **The Fund may invest in floating rate loans.** The value of collateral, if any, securing a floating rate loan can decline or may be insufficient to meet the issuer's obligations or may be difficult to liquidate. **The Fund may invest in underlying funds**, including ETFs. In addition to the Fund's operating expenses, you will indirectly bear the operating expenses of investments in any underlying funds.

Investments in equity securities are subject to price fluctuation. Small-and mid-cap stocks involve greater risks and volatility than large-cap stocks. **The Fund may invest in Master Limited Partnerships**, which are subject to increased risks of liquidity, price valuation, control, voting rights and taxation. In addition, the structure affords fewer protections to investors in the Partnership than direct investors in a corporation. **The Fund may invest in zero coupon bonds and payment in kind securities**, which may be more speculative and fluctuate more in value than other fixed income securities.

The accrual of income from these securities are payable as taxable annual dividends to shareholders. **The Fund and some of the underlying funds may use derivatives**, such as options and futures, which can be illiquid, may disproportionately increase losses, and have a potentially large impact on Fund performance. **The Fund may invest in credit default swaps**, which may in some cases be illiquid, and they increase credit risk since the fund has exposure to both the issuer of the referenced obligation and the counterparty to the credit default swap. **The Fund and some of the underlying funds employ leverage**, which increases the volatility of investment returns and subjects the Fund to magnified losses if an underlying fund's investments decline in value. These risks may increase share price volatility. There is no assurance that these and other strategies used by the Fund or underlying funds will be successful. **Please see the prospectus for a more complete discussion of the Fund's risks.**

The views expressed are those of Amundi Pioneer and are current through 3/19/20. These views are subject to change at any time based on market or other conditions, and Amundi Pioneer 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.

Before investing, consider the product's investment objectives, risks, charges and expenses. Contact your advisor or Amundi Pioneer Asset Management 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 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.

Securities offered through Amundi Pioneer Distributor, Inc.

Underwriter of Pioneer mutual funds, Member SIPC

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