

# Pioneer Fundamental Growth Fund

Commentary | April 3, 2020

PORTFOLIO  
UPDATE

## Current Positioning

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- Pioneer Fundamental Growth Fund seeks to invest in equities of attractively priced, quality companies that pursue high returns on growth capital, possess a sustainable competitive advantage and have secular growth opportunities. The approach has historically allowed the Fund to pursue mitigated risk when equities have declined while pursuing competitive performance over a full market cycle.
- The Fund is currently overweight in consumer discretionary, financials and health care, and underweight communication services, energy, industrials and information technology.
- The overweight in consumer discretionary has been driven in part by the exposure to online retailers, which we think could benefit from higher online sales as consumers avoid brick and mortar retailers to avoid the Coronavirus. The overweight in financials is in defensive holdings such as a property and casualty insurer. Consumers need car insurance even in a recession and fewer miles driven typically means fewer claims. Health care is an overweight primarily due to medical device stocks that fit the Fund's strict investment criteria and are attractively valued. Not all of the stocks have behaved defensively, due to postponement of elected surgeries, but we continue to hold the stocks, as we believe the surgeries are likely to be completed eventually.
- The underweights in communications services and information technology are largely due to valuation. The Fund is also underweight industrials, as they are cyclical, and most do not meet the profitability and secular growth requirements of the Fund. There are no energy holdings, as none fit with the Fund's investment criteria.

## Strategy Changes

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- The most significant change in the past few weeks has been an increase in the information technology weighting in the Fund given what we believe to be durable business models, strong secular growth prospects, strong balance sheets and now more attractive valuations. The additions have been in software, mostly related to customer relationship management, gaming and digital payments.
- The Fund has also enhanced the high quality of its holdings in industrials by selling a current position that has energy exposure and adding to a holding with a strong balance sheet that has been benefitting from the shift toward industrial automation. In addition, the Fund has added a pharmaceutical stock recently as it fit with the Fund's criteria and is working on a vaccine for the Coronavirus. We believe pharmaceutical companies are now less likely to suffer from price regulation in the US with a moderate Democrat leading the nomination process.
- The Fund has trimmed positions in animal health as pet owners are limiting visits to veterinarians in the current environment. It has also trimmed financial holdings due to the more favorable risk-reward opportunities discussed above.

## Outlook

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- Ultimately, the severity of the decline in equities in the near term is tied mostly to how big an impact the Coronavirus has on US and global growth. Given the difficulty in predicting the depth of the decline and the timing of the recovery, we believe the most prudent approach is to continue to invest in companies we believe have manageable debt levels, high profit margins and stable competitive positions.

See Glossary of Frequently Used Terms, for terms in bold.

**Average Annual Total Returns for Class Y Shares**

As of March 31, 2020	Month	Quarter-to-Date	YTD	1-Year	3-Year	5-Year	10-Year
<b>Pioneer Fundamental Growth Fund (FUNYX)</b>	-11.39%	-16.30%	-16.30%	-1.84%	8.39%	8.29%	11.71%
<b>Russell 1000® Growth Index (Benchmark)</b>	-9.84%	-14.10%	-14.10%	0.91%	11.32%	10.36%	12.97%

Gross expense ratio: 0.77%

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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.

**The Russell 1000 Growth Index** measures the performance of the large-capitalization growth sector of the US equity market. **The S&P 500 Index** measures the performance of the broad US stock market. Indices are unmanaged and their returns 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.

**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).

**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.

**Wide moat** – a type of sustainable competitive advantage possessed by a business that makes it difficult for rivals to wear down its market share.

The views expressed are those of Amundi Pioneer and are current through 4/3/20. 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 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.

Investing in foreign and/or emerging markets securities involves risks relating to interest rates, currency exchange rates, economic, and political conditions. The Fund invests in a limited number of securities and, as a result, the Fund’s performance may be more volatile than the performance of other funds holding more securities. 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.

***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.***

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