

# Pioneer Disciplined Growth Fund

Performance Analysis and Market Commentary | September 30, 2024

## Average Annual Total Returns for Class Y Shares

|  | Month-to-Date | Quarter-to-Date | Year-to-Date | 1-Year | 3-Year | 5-Year | 10-Year |
|--|---------------|-----------------|--------------|--------|--------|--------|---------|
| <b>Pioneer Disciplined Growth Fund (INYDX)</b>           | 2.29%         | 5.06%           | 16.56%       | 30.22% | 9.65%  | 16.88% | 13.88%  |
| <b>Russell 1000 Growth Index (Benchmark)<sup>1</sup></b> | 2.83%         | 3.19%           | 24.55%       | 42.19% | 12.02% | 19.74% | 16.52%  |

<sup>1</sup>The Fund's performance benchmark is shown. Information on any additional benchmark for regulatory purposes can be found in the prospectus.

Gross and Net expense ratio: 0.83%

**Call 1-800-225-6292 or visit [amundi.com/us](https://amundi.com/us) 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.** Class Y shares are not subject to sales charges and are available for limited groups of investors, including institutional investors. Initial investments are subject to a \$5 million investment minimum, which may be waived in some circumstances. All results are historical and assume the reinvestment of dividends and capital gains. Periods of less than one year are actual, not annualized. Other share classes are available for which performance and expenses will differ.

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 Otherwise, fee waivers can be rescinded at any time.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.

## Investment Approach (Pioneer Disciplined Growth Fund)

- Pioneer Disciplined Growth focuses on mispriced quality, sustainable US large-cap companies trading at attractive valuations with the goal of maximizing risk-adjusted returns over a full market cycle.
- Utilizing a comprehensive quantitative overlay combined with a disciplined portfolio construction and risk management framework, the investment team seeks to identify quality business models that can grow and/or sustain economic profitability beyond what the market is currently pricing into valuations.
- The portfolio managers draw upon the deep investment resources and expertise of the Amundi US Equity Research team of experienced career analysts, which provides fundamental and quantitative research on companies globally.

## Market Review

- It was a volatile quarter for US equity markets, as increased global tensions in the Middle East and Europe, a massive jobs revision, and concerns over the "yen carry trade," were key drivers of market movements. However, as is often the case, liquidity and the Federal Reserve (the Fed) were the primary catalysts for stocks ahead of Q4 and the Q4 earnings season as the Fed's pivot to lower interest rates allowed the markets to charge higher with the S&P 500 Index (SPX) returning 5.89% despite the volatility. During the period, enthusiasm for artificial intelligence (AI) waned as investors began to question the short-term impact of AI on earnings and profits. This fueled a rotation in the market from the so called Magnificent Seven\* stocks (Alphabet, Amazon, Apple, Meta Platforms, Microsoft, NVIDIA, and Tesla) and growth stocks into previously out of favor areas, such as value stocks and small caps. As a result, the market broadened, with the S&P 500 Equal Weighted Index returned 9.60%, handily outperforming the 5.89% return of the market capitalization weighted S&P 500. Value stocks also substantially outperformed, with the Russell 1000 Value Index (RLV) returning 9.43% compared to 3.19% for the Russell 1000 Growth Index (RLG), but growth continues to substantially outpace value in the year-to-date period by ~8%. Additionally, previously out of favor sectors, such as utilities and real estate, were the top performers in the period while the information technology sector was a laggard.

\*As of September 30, 2024, the Portfolio did not own Tesla. Apple, Amazon, Alphabet, or META Platforms, NVIDIA, and Microsoft are holdings in the portfolio. See glossary of frequently used terms for definitions. Diversification does not assure a profit or protect against loss.

## Market Review (Continued)

- Year-to-date, however, performance has still largely been dominated by the dominant earnings of the so-called Magnificent 7's and enthusiasm for AI technologies, despite the more recent broadening. The SPX returned 22.08% in the period accounting for the largest gain in the first three quarters of the year in more than 25 years. Growth stocks, as measured by the RLG, also surged higher returning 24.55% and substantially outperforming value stocks, as measured by the RLV, which returned 16.68%.

| Total Return                     | 3Q 2024 | Year-to-Date |
|----------------------------------|---------|--------------|
| S&P 500® Index (SPX)             | 5.89%   | 22.08%       |
| Russell 1000® Value Index (RLV)  | 9.43%   | 16.68%       |
| Russell 1000® Growth Index (RLG) | 3.19%   | 24.55%       |

Source: Morningstar. Data as of September 30, 2024. **Data is based on past performance, which is no guarantee of future results**

## Performance Review

- During the quarter, Pioneer Disciplined Growth Fund (class Y shares), which employs a higher quality and valuation sensitive approach to investing in US large cap growth stocks, outperformed the 3.19% return of the RLG.
- The Portfolio's relative outperformance reflected a combination of strong sector allocation and security selection results. Specifically, stock picks in information technology, healthcare and materials alongside our decision to overweight materials and real estate contributed to relative performance. On the negative side, security selection in consumer discretionary, communication services and industrials detracted from relative performance.
- A top relative individual contributor during the quarter was our underweight allocation in **Microsoft**. Microsoft, which is a global leader in developing and licensing consumer and enterprise software, reported a solid quarter in July, but against a high bar, shares traded down given the Azure trend and guidance on capital expenditures. While we believe Microsoft is one of the most durable software companies, we continue to be of the opinion that its less compelling risk/reward given its current valuation.
- Another relative contributor was our overweight position in **Sherwin-Williams**. Sherwin-Williams climbed after reporting better-than-expected earnings and raising guidance. While sales volumes have remained somewhat subdued due to a slow housing market, this quarter marked a turning point in margins across the company as gross and operating margins expanded.
- Conversely, our underweight position in **Apple** and decision to avoid owning benchmark constituent **Tesla** detracted from performance over the quarter. Shares of Apple rose on the back of quarterly financial results that beat analyst expectations. In addition, investor enthusiasm for an AI iPhone upgrade cycle is building as the iPhone remains the company's most important business. Tesla's stock jumped in early July following quarterly delivery results that beat expectations. While we believe that Apple and Tesla are good companies, we continue to be of the opinion that they are overvalued given their future growth prospects.

## Top Relative Detractors and Contributors – Third Quarter 2024

| Relative Contributors | Average % of Portfolio | Relative Detractors    | Average % of Portfolio |
|-----------------------|------------------------|------------------------|------------------------|
| – Microsoft           | 0.5%                   | – Tesla                | --                     |
| – Sherwin-Williams    | 3.0%                   | – Apple                | 3.6%                   |
| – UnitedHealth Group  | 2.4%                   | – Visa                 | 1.1%                   |
| – NVIDIA              | 0.1%                   | – Pinterest            | 0.7%                   |
| – American Tower      | 2.0%                   | – Microchip Technology | 1.9%                   |

Securities listed above are holdings of the Portfolio, or benchmark components that were not held in the Portfolio, and the percentage of the Portfolio's invested assets they represented as of quarter-end, shown in descending order from greatest to least, in terms of contribution to or detraction from the Portfolio's performance relative to the benchmark. See last page for more information about performance attribution.

## Top 10 Holdings (as of September 30, 2024)

|                      | % of Portfolio |                                 | % of Portfolio |
|----------------------|----------------|---------------------------------|----------------|
| 1. Amazon.com (AMZN) | 7.7%           | 6. Sherwin-Williams (SHW)       | 3.2%           |
| 2. Alphabet (GOOG)   | 6.9%           | 7. Oracle (ORCL)                | 3.1%           |
| 3. Coca-Cola (KO)    | 5.0%           | 8. Keysight Technologies (KEYS) | 3.0%           |
| 4. Visa (V)          | 4.1%           | 9. Advanced Micro Devices (AMD) | 2.8%           |
| 5. Apple (AAPL)      | 3.5%           | 10. Eli Lilly (LLY)             | 2.8%           |

The portfolio is actively managed and current information is subject to change. The holdings listed should not be considered recommendations to buy or sell any security.

## Market Outlook and Positioning

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- Relative performance between the capitalization weighted stock indexes and equally weighted indexes has been quite volatile since the end of the second quarter. AI enthusiasm appears to have partially come off the boil amid elevated valuations. During the last month there have been substantial revisions to a number of economic releases, most significantly to Gross Domestic Income (GDI) and to some jobs data. These revisions have meant that the US economy has been running substantially stronger than previously thought, and have increased the chances that the US achieves a soft landing.
- However, there remains data showing some weakness in certain areas, and the Fed has begun cutting rates as a result. We remain cautious, but would become more optimistic on a pull back to valuations.
- In the long run, the equity market has historically grown with earnings. In the short term however, the market tends to be driven by changes to the market multiple, based on the currently perceived outlook. The currently estimated earnings outlook depends, however, on the resilience of the US economy. While it would be unusual for the economy to fall into recession during an election year, the risks remain elevated that a recession could occur towards year-end, or in the beginning of 2025 no matter how the elections unfold later this year. There are an increasing number of indicators signaling that a slowdown is in process.
- Overall, we remain cautious, as elevated valuations reflect an optimistic outcome with respect to the economy, interest rates, inflation, the federal debt, and the elections.
- At quarter end, we have continued to emphasize bottom-up, fundamental stock picking and have added to areas where we have stronger conviction and are finding valuations that we believe are more attractive.
- From a positioning perspective, the Portfolio's largest sector overweights versus the RLG included materials, financials and industrials. With regard to materials, we believe companies in the sector levered to growth themes that are structurally-advantaged end-market providers are well positioned and attractively valued. We try to own companies that have company or industry-specific drivers that enable them to outperform the cycle.
- The Portfolio's largest sector underweights are information technology, consumer discretionary and communication services. The respective underweights in these sectors are valuation-driven as the companies are great, in our view, but we believe that is more than priced-in currently. Particularly for information technology, where the Portfolio has a relatively large underweight, we believe that group does not offer sufficient value today despite the hype. We always go where we believe there relative value and we are not currently finding that in information technology.
- In terms of notable changes this quarter, while we remain relatively benchmark neutral in communication services, we added to the interactive media and services segment on valuation. In addition, we selectively reduced our consumer discretionary exposure, specifically the consumer durables and apparel segment and used the proceeds to opportunistically add exposure to a restaurant with an attractive risk-reward profile. Lastly, we established an overweight position in a financial services firm with a well-established brand and extensive merchant-acceptance network.
- We believe separating the potential winners from the rest of the market will be key to portfolio success over the next year and beyond. With so much uncertainty and variability across industries and companies, it is essential today to actively manage portfolios as we find opportunities across markets and industries. As we look at the Portfolio today, we are pleased with our current positioning, and we have strived to reduce risk given our concerns about potential economic volatility.

### Performance Attribution: Additional Information

This performance attribution seeks to identify and quantify the drivers of portfolio performance relative to that of its benchmark. 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.

**The Nasdaq 100 Index** is a stock market index made up of 101 equity securities by 100 of the largest non-financial companies listed on the Nasdaq stock exchange. **The Russell 1000 Growth Index** measures the performance of the large-capitalization growth sector of the US equity market. **The Russell 1000 Value Index** measure the performance of the large-capitalization value sectors 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 do not reflect any fees or expenses. It is not possible to invest directly in an index.

The portfolio is actively managed and current information is subject to change. The sectors/holdings discussed should not be considered recommendations to buy or sell any security.

### 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).

**Cost of Capital** – Represents a calculation of the minimum return a company would need to justify a capital-budgeting project, such as building a new factory.

**Credit Spreads (or Spreads)** – The differences in yield between two 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.

**Earnings Per Share (EPS)** - The portion of a company's profit allocated to each outstanding share of common stock.

**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.

**Upside/Downside Capture** – The ratio of the upside and downside of an investment versus a benchmark. These ratios explain how an investment typically performs in relation to a benchmark index.

**Yield Curve (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.

The views expressed are those of Amundi US and are current through September 30, 2024. These views are subject to change at any time based on market or other conditions, and Amundi US 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.

### 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. **The Fund may invest in fewer than 40 securities** and, as a result, its performance may be more volatile than the performance of other funds holding more securities. Investing in small- and mid-sized companies may offer the potential for higher returns, but are also subject to greater short-term price fluctuations than larger, more established companies. **Investing in foreign and/or emerging markets securities** involves risks relating to interest rates, currency exchange rates, economic, and political conditions.

**Before investing, consider the product's investment objectives, risks, charges and expenses. Contact your financial professional or Amundi Asset Management US 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 professionals 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 US does not provide investment advice or investment recommendation.

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