Pioneer High Income Municipal Fund

Performance Analysis and Market Commentary | June 30, 2023

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
Pioneer High Income Municipal Fund (HIMYX)	1.06%	-0.23%	1.77%	-0.09%	-0.24%	1.39%	3.05%
Bloomberg US Municipal High Yield Bond Index (Benchmark)	1.77%	1.65%	4.43%	2.85%	1.76%	2.79%	4.17%

Gross expense ratio: 0.68%; Net expense ratio: 0.55%

Call 1-800-225-6292 or visit 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.

The net expense ratio reflects the contractual expense limitations currently in effect through January 1, 2024, for Class Y shares. There can be no assurance that Amundi US will extend the expense limitations beyond such time. Please see the prospectus and financial statements for more information.

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 Otherwise, fee waivers can be rescinded at any time.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

Market Review

- Resilient US growth fueled by strong consumption, moderating headline inflation, and better-than-expected corporate earnings buoyed markets in the second quarter. These factors, as well as the limited fallout from failures of select regional banks, led investors to downplay the impact of a more hawkish Federal Reserve (the Fed) policy later in the quarter. The Fed indicated a higher for longer rate path, in the face of persistent core personal consumption expenditures (PCE) inflation and a continued robust labor market.
- The Fed funds market priced in much of the Fed's rate forecast, and the **yield curve** flattened with two-year Treasury yields rising 83 **basis points** (bps) to 4.87% and ten-year yields rising 33 bps to 3.81%. Equity markets continued to rally, with the S&P 500 Index (SPX) returning 8.7%. The Bloomberg US Aggregate Bond Index returned 0.84% but outperformed comparable Treasuries by 59 bps, as all **spread sectors** outperformed Treasuries. Investment-grade corporates turned in the strongest relative performance with a -0.29% total return (+1.31% over Treasuries). The plus sectors outperformed investment-grade sectors, with US high yield returning 1.7% and leveraged loans 3.1%, while emerging markets (EM) sovereign and corporate debt both returned 1.4%. The US dollar was modestly positive over the quarter.
- The high-yield municipal market, as measured by the Fund's benchmark, the Bloomberg US Municipal High Yield Bond Index (the Bloomberg Index), returned 1.65% in the second quarter. Two of the largest and more-liquid components of the Fund's benchmark, Puerto Rico and Tobacco Master Settlement Agreement (MSA) bonds, returned 5.16% and 3.56%, respectively, during the second quarter. Excluding Puerto Rico, the Bloomberg Index returned 0.94% during the period. For comparative purposes, the investment-grade portion of the municipal bond market, captured by the Bloomberg US Municipal Index returned -0.10% for the quarter.

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

Performance Review

- Pioneer High Income Municipal Fund's Class Y shares returned -0.23% in the second quarter, while the Fund's benchmark, the Bloomberg Index, returned 1.65%.
- The Fund's underweight to Puerto Rico was a key detractor from relative performance during the second quarter. Puerto Rico issues represent 17.2% of the Bloomberg Index, and they returned 5.16% for the quarter. The Fund had an allocation of 3.6% to Puerto Rico at quarter end. We have continued to maintain an underweight to Puerto Rico in the portfolio, as it remains heavily dependent upon economic cycles and tourism, and is subject to weather-related catastrophes, such as hurricanes. This underweight was responsible for over a third of the underperformance for the quarter.
- On an individual security basis, key detractors included a rural hospital in the state of California, as well as Puerto Rico Electric Power Authority (PREPA) bonds. As is standard in our investment process, we continue to communicate with the management team of the hospital and are confident in their ability to fix their near-term issues. PREPA bonds underperformed the Puerto Rico component of the Bloomberg Index, as news stories follow the power authorities need to restructure $9 billion in bonds.
- A positive impact to the Fund is the portfolio's overweight to Tobacco MSA bonds. Given their high level of liquidity, Tobacco MSA bonds can exhibit significant pricing swings. Due to our overweight, we believe this allocation could have a strong impact on performance month over month. The subsector accounts for a relatively small exposure of 8.3% in the Bloomberg Index. In managing the Fund, we have favored investments in tobacco MSA bonds due to their solid fundamentals and consistent cash flows. Since the inception of tobacco MSA bonds in the wake of the lawsuits filed by several states against the tobacco companies, the subsector has experienced zero defaults.
- The Fund continues to maintain a high level of liquidity to address mutual fund flows, while allowing us to maintain positions in credits we favor most, such as in sectors like charter schools and assisted living facilities. We do not leverage the Fund, as doing so would create additional interest rate risk to our credit-focused portfolio. Despite the lack of leverage, we have historically remained one of the highest producers of income in the municipal bond high yield peer group. Both of these factors, combined with our strong due diligence process, has allowed us to seek to provide a high level of tax-exempt income, in addition to minimizing the threat to shareholder capital.

Market Outlook and Positioning

- We see the potential for further market volatility given the broad uncertainty surrounding inflation, Fed monetary policies, and developments on the geopolitical front. However, credit conditions have remained stable across the municipal bond space, and we foresee very low odds of a wholesale rise in default risk. The ratio of ratings upgrades to downgrades within the municipal market has remained favorable as well. In our view, those factors indicate that the recent weakness in prices has not been accompanied by a meaningful decline in market fundamentals. We would also note that the recent market downturn has caused the ratio of tax-exempt yields to US Treasury yields (Municipal-to-Treasury Yield Ratio) in the long end to remain elevated, which has often been, historically, an indication of improving value in the market. Not least, the market has continued to see limited new issuance within the high-yield municipal space so far this year, and that could provide continued support for the supply-and-demand outlook in the municipal market.
- As is always the case, headline news events have had a minimal effect on our day-to-day approach to managing the portfolio. Our goal is to invest the Fund in what we believe are fundamentally sound credits with attractive yields, while maintaining an appropriate level of portfolio diversification*. We also seek to avoid experiencing defaults in the portfolio through our emphasis on fundamental research. That approach was successful over the past three months, as the Fund did not have any exposure to bonds that defaulted. We believe this steady, long-term approach remains the most effective way to identify opportunities and to help minimize the risk associated with investing in the high-yield municipal market.
- The recent volatility in the municipal market has presented us with the opportunity to purchase what we believe are favorable high-yield municipal bonds at attractive prices.
- Based on our proprietary research and due diligence, we also continue to believe investments in select, non-rated municipal bonds may provide a yield in excess of the municipal bonds covered by the major rating agencies. In fact, we rely on our own internal ratings when it comes to all of the municipal bonds held in the portfolio.

*Diversification does not assure a profit nor protect against loss.

Performance Attribution: Additional Information
This performance attribution seeks to identify and quantify the drivers of portfolio performance relative to that of its benchmark. We use software to 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 Bloomberg US Municipal High Yield Bond Index is an unmanaged index that measures the performance of the high-yield municipal bond market. **The US Treasury Index** an index based on recent auctions of US Treasury bills and is commonly used as a benchmark when determining interest rates, such as mortgage rates. **The S&P 500 Index** measures the performance of the broad US stock market. **The Bloomberg US Aggregate Bond Index** is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond 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
Advanced Refunding Bond – A bond issued to retire, or pre-refund, another outstanding bond more than 90 days in advance of the original bond's maturity date.
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.
Carry – Represents the cost or benefit of owning an asset.
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).
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.
Excess Returns - Represent investment performance generated by a security or portfolio that exceed the "riskless" performance of a security generally perceived by the market to be risk-free, such as a certificate of deposit or a government-issued bond.
Goldilocks – An economy that is not too hot or cold. In other words, it sustains moderate economic growth and features low inflation, which allows for a market-friendly central-bank monetary policy.
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 drop in price, such as purchasing a "put" (sell) 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.
Liquidity Premium – Any form of additional compensation that is required to encourage investment in assets that cannot be easily and efficiently converted into cash at fair market value.
Loan Spread -– The interest rates over and above the LIBOR rate charged to borrowers by banks.
Municipal-to-Treasury Yield Ratio – A measure of municipal bond valuation. The higher the Municipal-to-Treasury ratio, the more attractive municipals are relative to Treasuries.
Real Yield – The yield provided by an investment once inflation is taken into account.
Sharpe Ratio - A measure of risk-adjusted return that describes how much excess return an investor receives in exchange for the volatility of holding a riskier asset.
Spreads (or Credit Spreads) – The differences in yield between Treasuries and other types of fixed-income securities with similar maturities.
Spread sectors – Nongovernmental fixed-income market sectors that offer higher yields, at greater risk, than governmental investments.
Tax-Equivalent Yield – The pretax yield that a taxable bond needs to possess for its yield to be equal to that of a tax-free municipal bond.
Yield Curve (or 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.
Yield to Maturity – The total return anticipated on a bond if the bond is held until the end of its lifetime.
Yield to Worst (YTW) – The lowest potential yield that can be received on a bond without the issuer actually defaulting.

The views expressed are those of Amundi US and are current through 6/30/23. 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.

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ASSET MANAGEMENT

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. Investments in high-yield or lower rated securities are subject to greater-than-average price volatility, illiquidity and possibility of default. The market price of securities may fluctuate when interest rates change. When interest rates rise, the prices of fixed income securities in the Fund will generally fall. Conversely, when interest rates fall, the prices of fixed income securities in the Fund will generally rise. Investments in the Fund are subject to possible loss due to the financial failure of issuers of underlying securities and their inability to meet their debt obligations. 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 value of municipal securities can be adversely affected by changes in financial condition of municipal issuers, lower revenues, and regulatory and political developments. A portion of income may be subject to local, state, federal, and/or alternative minimum tax. Capital gains, if any, are subject to a capital gains tax. The Fund may use derivatives, which may have a potentially large impact on Fund performance.

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 recommendations.

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