

Pioneer AMT-Free Municipal Fund

Performance Analysis and Market Commentary | December 31, 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
Pioneer AMT-Free Municipal Fund (PBYMX)	-1.90%	-1.48%	1.87%	1.87%	-2.83%	-0.05%	2.08%
Bloomberg Municipal Bond Index (Benchmark)¹	-1.46%	-1.22%	1.05%	1.05%	-0.55%	0.99%	2.25%

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

Gross expense ratio: 0.66% Net expense ratio: 0.49%

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.

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 Otherwise, fee waivers can be rescinded at any time.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 net expense ratio reflects the contractual expense limitation currently in effect through May 1, 2025, for Class Y shares. There can be no assurance that Amundi US will extend the expense limitation beyond such time. Please see the prospectus and financial statements for more information.

Market Review

- Financial markets entered the fourth quarter priced for substantial Federal Reserve (Fed) policy easing well into 2025 and were whipsawed by the Fed's policy shifts from September's dovish 50 basis point (bps) rate cut to December's hawkish policy pivot. When the dust settled, the 10-year Treasury note yield climbed nearly 80bps to 4.6%. Higher long-term Treasury yields translated into a -3.1% decline to the Bloomberg US Aggregate Bond Index. The S&P 500 Index (SPX) posted a 2.4% total return on the continued strength in large-cap technology equities, while on an equally-weighted basis, the SPX posted a -1.9% loss.
- Municipal bonds, as measured by the Fund's benchmark, the Bloomberg Municipal Bond Index (the Bloomberg Index), returned -1.22% in the fourth quarter and 1.05% for the year. Shorter maturities outperformed longer maturities during the period, with one-, five-, 10- and 22+ year maturities returning 0.12%, -1.04%, -1.34% and -1.65%, respectively. Credit quality returns were mixed, AA (-1.18%) and A (-1.19%) outperformed AAA (-1.32%) and BBB (-1.32%) rated bonds. The Bloomberg Municipal High Yield Index returned -1.08% for the quarter and 6.32% for the year.
- The ratio of AAA-rated municipal bond yields to Treasury yields (Municipal-to-Treasury Ratio) for the 10-year and 30-year maturities ended the month of December at 67% and 82%, respectively.
- Municipal bond net supply totaled \$157 billion year-to-date, equaling the total supply for all of 2023. Fund flows were positive for municipal mutual funds at \$38 billion for the year.

Performance Review

- The Fund's longer duration bias was a key contributor to the underperformance relative to the benchmark during the fourth quarter.
- Individual security selection was additive to benchmark-relative performance for the quarter. The Fund benefitted from improved pricing on industrial development revenue bonds & pollution control revenue bonds (IDR/PCR), as well as select hospital bonds. The top detractors, on an individual security selection basis, were within education and water & sewer bonds.
- Sector allocation was a slight detractor for the quarter. Private higher education and IDR/PCR sectors were the top detractors. This is due to the longer duration of the sector rather than credit issues. The underweight to state general obligation debt was a detractor.
- During the quarter, lower quality (BBB and below) outperformed higher quality. The Fund's out-of-benchmark allocation to high yield municipal bonds was additive to relative performance. By prospectus, the Fund may invest up to 10% of assets under management (AUM) in high yield municipal bonds. As lower quality outperformed, the Fund's overweight to AAA bonds was a detractor, as well as the underweight to single A rated municipal bonds.
- The top performing state & territory exposures in the fund included New York, Virginia and Florida. While the bottom states based on total return were the Pennsylvania, Utah and Rhode Island.

Market Outlook and Positioning

- The consensus outlook for the US economy in 2025 is a "Goldilocks" scenario in which the economy grows at its long-term potential of 2%, the unemployment rate stays steady, inflation continues to decline, the Fed is relatively inactive, and the Trump administration successfully executes on major campaign initiatives. While the above is certainly possible, we expect that actual policy implementation and outcomes will likely deviate from current expectations as the year progresses. After another year of solid and above-trend domestic growth, we believe that near-term growth has more downside risk than upside. A cooling labor market will likely weigh on income growth which, in turn, should result in slower consumer spending. We see the risks to a further rise in the unemployment rate, as the pace of hiring has slowed sharply and now rests below pre-COVID levels. With job-finding rates down, any uptick in layoffs may have an outsized impact on the unemployment rate. The sequencing of policy implementation by the Trump administration may also impact the growth trajectory. Lower net immigration and broader tariffs can be implemented relatively quickly, but these could weigh on economic activity and may put upward pressure on inflation as well. While changes in tax policy and lighter regulatory touch should be positive for growth, it will take several months to enact these and may deter sustained business investment until enacted.
- In our view, after a volatile year for Treasury yields, 2025 opened with fixed income markets 1) seeking to offer solid nominal and inflation adjusted compensation that may help buffer against potential macro and monetary policy uncertainties and 2) positioned to reclaim their longer-term role of pursuing income generation and potentially being a Portfolio diversifier.* We believe intermediate-maturity duration exposure is particularly attractive. Ten-year Treasury yields are once again higher than short-term money market rates and are elevated relative to history on both a nominal and inflation adjusted basis, at 4.6% and 2.3% respectively. Given an average expected short-term rate of 3.9% over the next ten years, the implicit 10-year Treasury "term premium" of 0.7% over average expected short-term rates is also at its highest since 2011. We also believe investors have misinterpreted the Fed's recent "policy pivot" as a change in how it intends to respond to potential 2025 outcomes. Barring a material upside surprise in inflation, we believe the Fed is likely to deliver more than the 40bps of rate cuts currently reflected in interest rate markets for this year. We have this in mind as we weigh the potential for slower-than-expected growth during the first half of the year.
- In our view, we see the potential for further market volatility given the broad uncertainty surrounding inflation, Fed monetary policies, and heightened geopolitical risks. However, we believe credit conditions have remained stable across the municipal bond space, and we foresee very low odds of a wholesale rise in default risk.
- We are paying particular attention to different coupon levels and how they perform in changing rate environments. We are actively selling cohorts on strength and repositioning in coupon structures that benefit from the current Federal environment of falling interest rates. We expect to remain patient in 2025 and use what the market gives us to our advantage. We seek to continue to use the large new issue calendar to our advantage by buying clean 10-year call structures while absolute yields remain attractive, in our view, and selling shorter call structures and lower book yield bonds.
- Our focus is on high quality, liquid issues, remaining ready to react to certain credit opportunities as they arise to potentially generate increased yield level.
- The Fund is also underweight to state general obligation issues, which have tended to be sensitive to political considerations, as certain state governments may have lower flexibility to raise taxes due to constituents' preferences, thus limiting their ability to increase revenues. Likewise, health care and labor costs could apply additional pressure.

*Diversification does not assure a profit or protect against loss. See glossary of frequently used terms for definitions.

The Bloomberg Municipal Bond Index is an unmanaged, broad measure of the municipal bond market. **The US Treasury Index** is 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.

Glossary of Frequently Used Terms

Advanced Refunding Bond (usually applies only to municipal bond funds) – 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.

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.

Breakeven(s) – The difference(s) between the yield of a nominal bond and an inflation-linked bond of the same maturity.

Carry – The cost or benefit of owning that 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).

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

Credit Risk Transfer Securities – Securities that transfer a portion of the risk associated with credit losses within pools of conventional residential mortgage loans from the government-sponsored entities (GSEs), Fannie Mae and Freddie Mac, to the private sector.

Dot Plot – The Fed's "dot" plot/projection is a quarterly chart summarizing the outlook for the federal funds rate for each of the FOMC's members.

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.

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

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 sustains moderate economic growth, and that has low inflation, which allows a market-friendly 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 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.

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.

Interest Rate Coverage Ratio – A debt and profitability ratio used to determine how easily a company can pay interest on its outstanding debt.

Loan Spread – The interest rates over and above the LIBOR rate charged to borrowers by banks.

Loan-to-Value (LTV) Ratio – A measure comparing the amount of a mortgage with the appraised value of the property. The higher the down payment, the lower the LTV ratio.

Municipal-to-Treasury Yield Ratio (municipal bond funds only) – A measure of municipal bond valuation. The higher the Municipal-to-Treasury ratio, the more attractive municipals are relative to Treasuries.

Mark to Market – Involves recording the price or value of a security, portfolio, or account to reflect the current market value rather than the book value.

Prepayment Risk – The risk involved with the premature return of principal on a fixed-income security. When principal is returned early, future interest payments will not be paid on that part of the principal.

Real Yield – The yield provided by an investment once inflation is taken into account.

Reinsurance -- coverage provided to insurance companies.

Rate-on-Line – The premium/coupon paid by the re/insurance company for coverage.

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

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.

Spread sectors – Nongovernmental fixed-income market sectors that offer higher yields, at greater risk, than governmental investments.

Tail Risk – The additional risk of an asset or portfolio of assets moving more than 3 standard deviations from the current price, above the risk of a normal distribution.

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.

Subordinated Capital/Financing – Financing ranked behind that held by secured lenders with regard to the order of repayment. Subordinated financing can be a mix of debt and equity instruments. Equity components may include options and warrants. Debt components may include asset-backed securities.

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.

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 December 31, 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 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 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. 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. At times, the Fund's investments may represent industries or sectors that are interrelated or have common risks, making them more susceptible to any economic, political, or regulatory developments or other risks affecting those industries and sectors.

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.

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