

Confidence  
must be earned

**Amundi**  
ASSET MANAGEMENT

# Pioneer High Income Municipal Plus SMA

## Product Profile

March 31, 2022

[amundi.com/us](https://amundi.com/us)

### Portfolio Facts

#### Investment Objective:

A high conviction, credit-driven, tax-exempt strategy that invests nationally across municipal bond sectors, states, and securities. We strive to provide tax-advantaged income while preserving capital and generating total return.

**Portfolio Inception Date:** December 2020

**Typical Investment Horizon:** 10+ years

#### Investment Vehicle:

Separately Managed Account with integrated MAP<sup>1</sup> structure

#### Benchmark:

Bloomberg Municipal Bond Index

### Portfolio Management



#### David Eurus

Managing Director  
Director of Municipals, US  
Portfolio Manager

- Joined Amundi US in 2001
- Investment experience since 1971



#### Jonathan Chirunga

Managing Director  
Deputy Director of Municipals  
Portfolio Manager

- Joined Amundi US in 2011
- Investment experience since 1998

**Pioneer High Income Municipal Plus SMA blends the benefits of high-quality, individual bond separate account investing with active management opportunities within the high yield municipal space through a Managed Account Portfolio (MAP) structure.<sup>1</sup> We strive to add value through skilled security selection, harvesting roll yield and opportunistic yield curve positioning.<sup>2</sup>**

## Key Features

Pioneer High Income Municipal Plus SMA seeks to offer investors a ladderized, high-quality (investment grade) municipal portfolio in separately managed account form, supplemented by our successful high yield municipal investment approach. Pioneer High Income Municipal Plus SMA is allocated 52%/48% (high quality/high yield, respectively) through an integrated MAP<sup>1</sup> structure.

- **Balanced Investment Grade Strategy:** A high-quality, investment grade bond ladder focused on the 5 to 15 year part of the yield curve is supplemented by a daily, liquid high-yield allocation designed for additional yield and active management opportunities.
- **Stable, Experienced Team:** Lead portfolio managers have a combined 70+ years of industry experience. The team has successfully managed through investment cycles, periods of political unrest, disease epidemics, financial crises, and macroeconomic policy shifts.
- **Nimble, Efficient, Low Turnover:** Individually held ladderized municipal bonds from 5 to 15 years of maturity provide a tax-efficient base for the strategy. The high yield allocation is designed for nimble, active management that seeks to add alpha.
- **Centralized Reporting:** The complementary investment grade ladder and high yield allocations are conveniently custodied in, and reported on, from a single account.
- **Management Fees:** Management fees depend on the desired size of the high yield allocation. Pioneer High Income Municipal Plus SMA (52%/48%) wrap fee<sup>3</sup>: 27 basis points.

<sup>1</sup>**Managed Account Portfolio (MAP)** is a commingled investment vehicle, designed to provide investors with a number of distinct features, including access to a broader range of opportunities than a smaller separate account may otherwise provide. <sup>2</sup>**Roll yield** is the amount of return generated in the futures market after an investor rolls a short-term contract into a longer-term contract, potentially profiting from the convergence. For this portfolio, roll yield involves potentially harvesting price gains from a bond purchased at a longer part of the yield curve, held for a certain period of time and sold when that bond is yielding higher than the market rate at the current, now shorter point on the yield curve. The yield curve is the term structure of interest rates, and illustrates yields for bonds of various terms to maturities. <sup>3</sup>The **wrap fee** includes all charges, transaction costs, portfolio management fees, custody fees, and other administrative fees. Actual fees and account minimums may vary.

# Portfolio Structure

## Investment Grade Municipal Bond Ladder

We believe that high-quality investment-grade municipal bonds can build a solid foundation for a taxable investor. In a laddered bond portfolio, bonds mature at regular intervals (e.g., every year or every other year) across a chosen maturity range. As a bond matures, the principal is typically reinvested in the rung of the ladder having the longest maturity. However, we build our municipal bond ladders slightly differently:

- Look to buy bonds in the ‘demand gap’ between 12 and 15 years of maturity with tactical entry point decisions
- Hold bonds until they enter the retail municipal ‘demand zone’ within five years of maturity before selling
- Target the historically higher yielding and steeper part of the yield curve
- Own individual bonds custodied directly in the client’s account

## Integrated High Yield Allocation Booster

Active management is paramount in the high-yield municipal investment universe, and our team has excelled in this area for over 20 years. We strive for superior credit selection and sector rotation based on fundamental analysis and favorable technical execution practices, such as:

- Highly selective, independent bond picking. If we do not see value in a name, we will pass on the deal no matter what grade a rating agency might place on the issue.
- Retain access to smaller deal sizes to search for value across a broad universe of potential investments. Amundi US is not limited to participating exclusively in mega-deals frequented by strategies with over-elevated assets under management.

## Investment Parameters

	Pioneer High Income Municipal Plus SMA
<b>Average Credit Quality Range:</b> <sup>3</sup>	Typically A to A+
<b>Expected Turnover Range:</b>	10% for ladder allocation, 75% for high yield allocation
<b>Duration:</b>	Typically 6-9 years
<b>Number of Holdings:</b>	10 individual investment grade bonds + high yield MAP (300+ underlying holdings)
<b>Investment Structure:</b>	52% investment grade 5 to 15-year municipal bond ladder + 48% high yield MAP <sup>1</sup> share

**PLEASE NOTE:** The internal guidelines referenced do not necessarily represent prospectus/statutory limitations. These internal guidelines are used as guidance in the daily management of the Portfolio’s investments. These guidelines are subject to change and should not be relied upon as a long-term view of the Portfolio’s exposures, limitations and/or risks.

<sup>3</sup>Credit rating agencies rate bonds based on the creditworthiness of the bond issuer and assign letter grades for bonds to indicate the quality of the security and the ability of the issuer to repay the debt. Average credit quality reflects the average numeric rating equivalent of available ratings of Moody’s, Standard & Poor’s (S&P), Fitch, DBRS, KBRA, and Morningstar, with midpoints averaged to the lower rating. Bond ratings are ordered highest to lowest in portfolio. Based on S&P’s measures, AAA (highest possible rating) through BBB are considered investment grade. BB or lower ratings are considered non-investment grade. Cash equivalents and some bonds may not be rated. This is not a rating of the strategy’s overall credit quality.

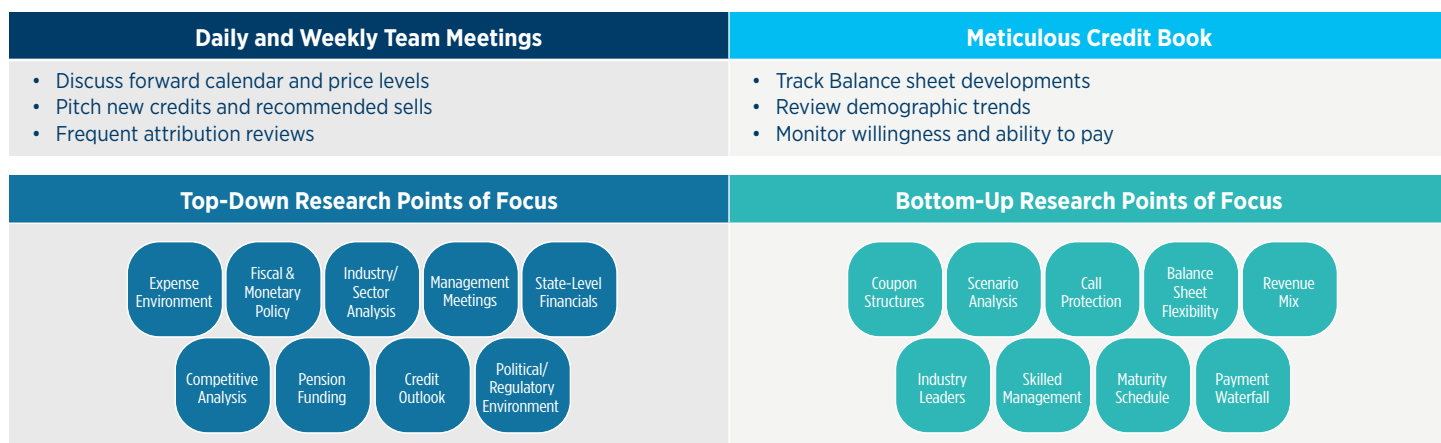
# Investment Process

## Our Time-Tested Municipal Active Management Process



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

## Our Research Process



## Multiple Levels of Independent Risk Oversight

We strive to avoid permanent impairment of capital and limit downside risk by combining sophisticated risk analytics with portfolio management and trading and operations tools to support a consistent, efficient, and controlled investment process. We constantly monitor credit and interest rate risk, as well as sector exposures and the interaction and correlations among these risks using proprietary and third party tools.



### Terms and Definitions

The **Bloomberg US Municipal Index** covers the USD-denominated long-term tax exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and prerefunded bonds. 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. **Alpha** represents excess return relative to the return of the benchmark. A positive alpha suggests value added by the manager versus the benchmark. **Duration** is 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. **Turnover** is the percentage of a fund's assets that have changed over a given period, usually a year.

### 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. **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 SMA will generally rise. Investments in the SMA 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 SMA 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. **The SMA may use derivatives**, such as options, futures, inverse floating rate obligations, swaps, and others, which can be illiquid, may disproportionately increase losses, and have a potentially large impact on performance. Derivatives may have a leveraging effect on the SMA. **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 SMA'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.

### Important Information

Amundi US is the US business of Amundi Asset Management group of companies. Investment advisory services are offered through Amundi Asset Management US, Inc. Not all Amundi products and services are available in all jurisdictions. The Amundi Asset Management logo used in this document only refers to a brand owned by Amundi and not to any service or product offered or manufactured by Amundi Asset Management SAS, headquartered in Paris.

Amundi US acts as a discretionary investment manager or non-discretionary model provider in a variety of separately managed account or wrap fee programs (each, an "SMA Program") sponsored either by Amundi US or a third party investment adviser, broker-dealer or other financial services firm (a "Sponsor"). When acting as a discretionary investment manager, Amundi US is responsible for making and implementing all investment decisions in SMA Program accounts. When acting as a non-discretionary model provider, Amundi US's responsibility is limited to providing investment recommendations (in the form of model portfolios) to the SMA Program Sponsor who may or may not, in their sole discretion, utilize such recommendations in connection with its management of SMA Program accounts. In such "model-based" SMA Programs ("Model-Based Programs"), it is the Sponsor, and not Amundi US, which serves as the investment manager to, and has trading responsibility for, the Model-Based Program accounts.

There is no guarantee that the portfolio will continue to hold any particular security and securities are held in varying percentages. Holdings are subject to change since the portfolio is actively managed. Holdings are intended to illustrate the composition and characteristics of the SMA for separately managed accounts. Across client portfolios, there may be variations in holdings, characteristics and performance information as dictated by reasons such as diversification needs, specific client guidelines, account size, cash flows, the timing and terms of execution of trades, and differing tax situations.

The Model Portfolio/SMA securities holdings information provided is intended solely for your use in evaluating the Model Portfolio/SMA portfolio(s). Under no circumstances does the information contained within constitute, and should not be construed as, investment advice, forecast of future events, a guarantee of future results, or a recommendation to buy, hold or sell securities.

Separately managed account programs may require a minimum asset level and, depending on specific investment objectives and financial position, may not be appropriate for all investors.

**The investment strategies described are those of Amundi US. These materials are being provided for illustrative and informational purposes only. The information contained herein is obtained from multiple sources that are believed to be reliable. However, such information has not been verified, and may be different from the information included in documents and materials created by the sponsor firm in whose investment program a client participates. Some sponsor firms may require that these materials be preceded or accompanied by investment profiles or other documents or materials prepared by such sponsor firms, which will be provided upon request. For additional information, documents and/or materials, please speak to your Financial Professional or contact your sponsor firm.**