

Confidence  
must be earned

**Amundi**  
ASSET MANAGEMENT

# Pioneer Equity Income SMA

## Product Profile

[amundi.com/usinvestors/sma](https://amundi.com/usinvestors/sma)

### Portfolio Facts

#### Investment Objective

Current income and long-term growth of capital

#### Typical Holdings Range

90 to 110

#### Strategy Inception Date

August 1, 1990

#### Benchmark

Russell 1000® Value Index

### Portfolio Management



#### John Carey, CFA

Managing Director  
Director of Equity Income, US  
Portfolio Manager

- Joined Amundi US in 1979
- Investment experience since 1979



#### Sammi Le Truong, CFA

Vice President  
Associate Portfolio Manager

- Joined Amundi US in 2001
- Investment experience since 2001

**We believe a diversified<sup>1</sup> portfolio of sustainable companies that pay, sustain and increase dividends<sup>2</sup> over time can provide competitive performance with less risk.**

## Key Features

Pioneer Equity Income SMA (the “SMA”) seeks to identify quality, dividend-paying equity securities of well-established companies that have demonstrated a commitment to exemplary dividend growth and payments. The SMA offers:

- **A focus on risk management:** The SMA has maintained a preference for high quality, dividend-paying companies, which has created a portfolio with a quality bias, potentially yielding lower volatility and strong downside risk mitigation over full-market cycles.
- **Flexible approach with an expanded opportunity set:** The SMA aims to invest across the full opportunity set provided by the value universe, as represented by the Russell 1000® Value Index. We believe our flexibility to allocate to small- and mid-cap stocks is unique in a dividend equity strategy within the eVestment Large Cap Value Equity universe. This flexible approach to investing has provided us with an expanded pool of dividend-paying stocks that meet our definition of quality.
- **A stable, experienced, and diverse portfolio management team:** The portfolio has been managed by lead portfolio manager John Carey since the strategy’s inception in July 1990. Sammi Truong has been a dedicated resource to John and the strategy since 2011, and was named co-manager on the portfolio in 2018. Together, John and Sammi have a long track-record of managing the strategy through multiple market cycles.

<sup>1</sup>Diversification does not protect against loss or assure a profit. <sup>2</sup>Dividends are not guaranteed.

Separately managed account programs are available exclusively through a Financial Professional. 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.

# A Focus on Risk Management

## Focus on Quality Companies with Stable or Increasing Dividends

Companies that have initiated and grown their dividends over time have outperformed non-dividend payers as well as broad market averages.<sup>3</sup> We believe the reason for this outperformance is that in order to initiate and grow dividend payments, a company must have a sound business model and growth prospects.

These factors allow a company to generate a return on equity that is sufficiently high to pay a dividend and invest back into the business in order to maintain and grow. We believe that companies that are able to do both are “high quality” and are rewarded over time with above-average stock performance. High quality helps limit risk while capital appreciation and dividends increase potential to compound total returns.

### In our view, indicators of high quality include:



## Seeks to Limit Risk with a Diversified Portfolio

We believe limiting risk is critical to generating long-term returns, as losses can be difficult to recover from. With this in mind, the portfolio is well-diversified at both the individual security and sector level. Reduced concentration at the security, sector and portfolio levels help to mitigate potential risk of large drawdowns. The maximum position size at purchase is 5% and the largest position is typically 4% or less of assets. The portfolio typically holds between 90 and 110 stocks.

## Strict Adherence to the Investment Discipline

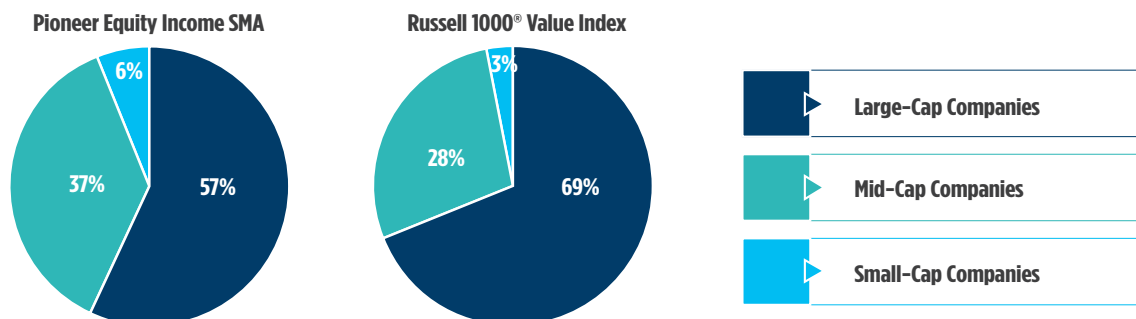
Every stock in the portfolio must pay a dividend. Companies that cut or eliminate their dividends are sold. For over 25 years, portfolio management has navigated a broad range of market conditions, while maintaining a disciplined and consistent approach.

<sup>3</sup>Ned Davis Research from January 31, 1973 to December 31, 2022. ©Ned Davis Research, Inc. All Rights Reserved.

# Flexible Approach Expands Opportunity Set

Portfolio management, while focusing on large caps, has the flexibility to invest in mid- and small-cap stocks, as well as in international stocks. The benefit this flexibility can provide is an expanded opportunity set of stocks that meet our definition of quality within the value universe. While small- and mid-cap companies are often thought of for high growth, a number of them also pay dividends and meet our investment requirements related to quality. The portfolio's flexibility to invest in the small- and mid-cap companies adds a layer of diversification to the process that aids risk management.

## A Larger Pool of Dividend-Paying Stocks



Source: Amundi US as of December 31, 2022. Due to active management, portfolio allocation is subject to change. Morningstar Market Cap Definition as of December 31, 2022: Large-Cap stocks represent the top 70% of capitalization in US style zone; Mid-cap stocks represent the next 20% of capitalization in US style zone; Small-cap stocks represent the smallest 10% of capitalization in US style zone. The **Russell 1000 Value Index** contains approximately 600 – 650 Dividend-Paying Companies.

## A Stable, Experienced, and Diverse Portfolio Management Team

The team has a long track-record of managing the portfolio through multiple market cycles and has worked together for over 12 years. Through a collaborative approach, both John and Sammi share responsibility for idea generation, research and analysis, portfolio construction and risk management. As lead PM, John Carey has final decision.

**For more information about this strategy, contact your financial professional or go to [amundi.com/usinvestors/sma](https://amundi.com/usinvestors/sma).**

The **Russell 1000® Value** measures the performance of large cap US stocks. 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.

#### 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 portfolio invests in REIT securities**, the value of which can fall for a variety of reasons, such as declines in rental income, fluctuating interest rates, poor property management, environmental liabilities, uninsured damage, increased competition, or changes in real estate tax laws. **At times, the portfolio'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

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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 by 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. Actual fees and account minimums may vary.

**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.**