

Confidence
must be earned

Amundi
ASSET MANAGEMENT

Pioneer Fundamental Growth SMA

Product Profile

amundi.com/us

Portfolio Facts

Investment Objective

We seek to outperform the Russell 1000® Growth Index over a full market cycle, while mitigating downside risk.

Typical Investment Horizon

4 to 6 years

Typical Holdings Range

35 to 45

Portfolio Inception Date

January 1, 1994

Benchmark

Russell 1000® Growth Index

Portfolio Management



Andrew Acheson

Managing Director
Director of Growth, US
Lead Portfolio Manager

- Joined Amundi US in 1999
- Investment experience since 1994



Yves Raymond¹

Vice President
Portfolio Manager

- Joined Amundi US in 1999
- Investment experience since 1999



David Chamberlain, CFA¹

Vice President
Portfolio Manager

- Joined Amundi US in 2018
- Investment experience since 2000

¹Effective 4/28/21, Yves Raymond and David Chamberlain became portfolio managers for the SMA.

We believe that a focused portfolio of companies that can generate high returns on growth capital, possess sustainable competitive advantages, capitalize on secular growth opportunities and trade at a discount to intrinsic value, can produce attractive risk-adjusted returns over a full market cycle.

Key Features

Pioneer Fundamental Growth SMA (the “SMA”) captures innovation and secular growth in the US economy while aiming to provide the following benefits:

- **Downside risk management:** The SMA has consistently outperformed the Russell 1000® Growth Index in the four most recent calendar year down markets in 2001, 2002, 2008 and 2018.
- **Lower volatility:** The companies in which the team typically invests have below-average earnings variability, which has contributed to lower-than-average volatility in the portfolio.
- **Long-term capital appreciation:** The goal of the SMA is to outperform the benchmark over a full market cycle (including a bear market).

The SMA seeks to generate these benefits by:

- **Adhering to a differentiated investment process and philosophy:** To be included in the portfolio, a stock must meet three quality criteria—high return on growth capital, sustainable competitive advantage and secular growth opportunities—while trading at a discount to intrinsic value. The quality bias and valuation discipline of the portfolio have contributed to the risk mitigation benefits referenced above.
- **Managing risk:** Portfolio management seeks to limit risk at the security, sector and portfolio levels with the support of an independent risk team.

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.

Differentiated Investment Philosophy

Pioneer Fundamental Growth SMA's investment philosophy is different than that of competitors in two ways:

1. The philosophy reflects a belief that risk mitigation is critical to long-term investment success in the growth universe.
2. The criteria we use to identify quality, defensive stocks, while at first glance are similar to that used by other growth managers, are in aggregate, dissimilar and produce a different return profile.

The four criteria are:

- **High return on growth capital** – Growth capital is the capital a company invests to grow its business rather than simply maintain it. We believe a company's return on growth capital is a key indicator for assessing management's capital discipline. Traditional metrics such as return on assets and return on equity reflect investment decisions that were in some cases made years ago that may or may not be indicative of the current opportunities for profitable growth.
- **Sustainable competitive advantage** – We invest only in companies that we believe have an economic moat around their business that can withstand competitive threats over the long term.
- **Secular growth opportunities** – We invest in companies that have growth tailwinds such as the shift to cloud computing or online retail. We favor companies that have predictable, steady growth rather than high growth or growth driven solely by the economic cycle.
- **Attractive valuation** – A stock, to be included in the portfolio, must also trade at a discount to its intrinsic value, which we calculate using discounted cash flow analysis and cash flow metrics such as economic value/earnings before interest, tax, depreciation and amortization.



Experienced, Stable Management Team

Pioneer Fundamental Growth SMA's portfolio management team have more than 23 years of industry experience and have been at Amundi US for over 15 years. Andrew Acheson, Yves Raymond and David Chamberlain work in a highly collaborative environment with analysts to meet with company management, engage in intelligent debate, conduct in-depth financial and ESG analysis, assess risks and opportunities, and identify specific companies attractive to our investment portfolios. In the rare situation where the managers disagree on an investment, Andrew as the lead manager, will have final say.

They are further supported by an associate portfolio manager, Matt Gormley, and will continue to draw upon the research and investment management expertise of the 13-person central research team, which provides fundamental and quantitative research on companies globally. The analysts are industry specialists and typically follow the same industries during their entire career at Amundi US in order to build deep expertise.

A Disciplined Process Supports Portfolio Construction

The investment process is designed to narrow the universe from 1,000 to approximately 150 stocks that undergo rigorous fundamental analysis and modeling, in order to determine the 35 to 45 stocks that best meet the SMA's investment criteria. The process includes quantitative screening, which is based on quality metrics, such as earnings variability, debt levels, cash flow and return on investment. The analysts formally rate each stock buy, overweight or sell.

The portfolio managers, in collaboration with the analysts, assess the fit of buy or overweight-rated stocks with the portfolio-specific criteria. Position sizes typically range from 0.5% to 4.0% active weights, depending on the conviction level of the portfolio managers and the potential downside risk, if the investment case does not conclude as expected.

The sell discipline is the reverse of the buy discipline. A stock that violates any of the four investment criteria in the investment philosophy becomes a sell candidate.

Investment Process

| Equity Universe | Idea Generation | Research and Valuation | Strategy-Specific Criteria | Portfolio Construction and Monitoring |
|--------------------------------------|---|--|--|--|
| Primarily Russell 1000® Index stocks | Collaboration of Resources <ul style="list-style-type: none"> • Portfolio Managers: Generate ideas based on independent research and collaboration with analysts • Fundamental: Amundi US portfolio managers working with career analysts to source ideas • Quantitative: Proprietary screens focused on quality, valuation and ESG rating | Fundamental analysis <ul style="list-style-type: none"> • Competitive position • Industry structure • Historical financial analysis/capital efficiency • Valuation—discounted cash flow • ESG assessment • Base/bull/bear case for each stock | Focused portfolio comprised of high-quality growth stocks <ul style="list-style-type: none"> • High returns on growth capital • Sustainable competitive advantages • Secular growth opportunities • Attractive valuations | Position sizes based on conviction and contribution to risk Portfolio risk evaluated to ensure exposures align with views <ul style="list-style-type: none"> • Unintended sector/industry/style/security exposures • Diversified* sources of risk • Barra risk analytics to monitor factor exposures |



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.

Integrated Risk Management

The primary way the investment team manages risk is by strictly adhering to the investment philosophy – only investing in stocks that meet the quality and valuation criteria. In addition, the team limits risk at the security, sector and portfolio levels with the support of an independent risk team.

The portfolio managers use risk analytics in the portfolio construction process to assure that individual securities, sectors, industries and factors are appropriately contributing to the portfolio's risk-return profile and objective. The portfolio management team also reviews the risk/return profile prior to all trades, and on an ad hoc basis, to evaluate potential portfolio effects. The models are designed to help the constant monitoring of total risk exposures at multiple levels, to ensure proper diversification, to confirm that risks assumed are intended and to avoid taking unintended risks.

*Diversification does not guarantee a profit or protect against loss.

For more information about this portfolio, contact your financial professional.

Important Information

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 a limited number of securities and, as a result, the portfolio's performance may be more volatile than the performance of other portfolios holding more securities. **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.

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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 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 and the percentage of holdings as dictated by diversification needs, specific client guidelines, account size, cash flows within accounts and restrictions on accounts.

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 represent a recommendation to buy, hold or sell securities and it should not be assumed that the securities transactions or holdings presented were or will prove to be profitable.

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