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**Amundi**  
ASSET MANAGEMENT

# Pioneer SMA

## Product Profile

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

### Portfolio Facts

#### Investment Objective

We seek to outperform the S&P 500® Index over a full market cycle, while mitigating downside risk.

#### Typical Holdings Range

40 to 70

#### Strategy Inception Date

February 10, 1928

#### Benchmark

S&P 500® Index

### Portfolio Management



#### Jeff Kripke

Senior Vice President  
Lead Portfolio Manager

- Joined Amundi US in 2015
- Investment experience since 1995



#### James Yu

Senior Vice President  
Portfolio Manager

- Joined Amundi US in 2015
- Investment experience since 1995



#### Craig Sterling

Managing Director  
Head of Equity Research, US  
Director of Core Equity  
Portfolio Manager

- Joined Amundi US in 2015
- Investment experience since 1991



#### John A. Carey \*

Managing Director  
Director of Equity Income, US  
Portfolio Manager

- Joined Amundi US in 1979
- Investment experience since 1979

\* Mr. Carey plans to retire from portfolio management in May 2024.

## Investment Philosophy

**We believe investing in attractively valued, high quality, sustainable businesses that have high or improving ESG ratings can generate above average returns over time with reduced risk.**

Pioneer SMA ("the SMA") has followed a consistent investment philosophy since the strategy was first launched in 1928 as Pioneer Fund by Philip Carret, founder of Pioneer Investments (now Amundi US). Mr. Carret is recognized as one of the first to implement a socially responsible investment framework<sup>1</sup> as he believed in deep fundamental research with a focus on companies that provided useful goods and services to society.

## Key Features

The SMA seeks to identify attractively valued stocks that are sustainable from a competitive, financial and ESG (environmental, social, governance) perspective and weight them appropriately in the portfolio. The SMA offers:

- **Downside risk mitigation with strong upside capture:**<sup>2</sup> The SMA's focus on high-quality, sustainable, growing businesses coupled with a strict valuation and risk management framework has provided strong downside risk focus in market downturns and meaningful upside participation during market rallies. We manage risk by seeking stocks with greater upside versus downside risk potential based on our analysis, while considering the impact of tail risk events on the portfolio.
- **An integrated, ESG-focused approach to evaluating the sustainability of a business:** For decades, the strategy has focused on sustainability and responsible investing. This focus began in the 1940s, primarily with the implementation of exclusionary screens that avoided companies and industries we believed presented a moral hazard to society and our investors.<sup>1</sup> Over time, our approach to responsible investing evolved to include a more comprehensive, fundamental, evaluation of the embedded ESG risks to the durability, longevity, and sustainability of a company's business model. Today, our approach to sustainable and responsible investing now focuses on identifying and mitigating ESG risks, with the intention of improving the Portfolio's alpha over time.
- **Opportunistic allocation across growth and value stocks:** The Portfolio's core approach gives it the flexibility to migrate across the growth and value spectrum as we seek attractive investment opportunities, favoring companies benefitting from secular technology themes.

<sup>1</sup> UBS Sustainable Investing. "Adding Value(s) to Investing." March 2015. <sup>2</sup> **Down Market Capture/Up Market Capture** is a measure of relative performance versus an index during either those periods when the index had only positive or negative returns. An up market ratio of 110% suggests outperformance of the index by 10% during periods with positive returns. Contrarily, a down market ratio of 90% suggests outperformance of the index by 10% during periods with negative returns.

# Downside Risk Mitigation with Strong Upside Capture

## Integrated Risk Management

The portfolio management team takes disciplined approach to risk management, investing only in stocks that meet the established sustainability and valuation criteria. The team limits risk at the security, sector and portfolio levels with the support of an independent risk management team. Stocks in the portfolio must have at least 2:1 upside to downside potential based on the team's risk/reward analysis. The team excludes sectors and companies that are problematic from an ESG perspective, as we believe these criteria are critical to the future growth and sustainability of a business.

The portfolio managers use risk analytics in the portfolio construction process to model and monitor total risk exposures at multiple levels, ensure proper diversification<sup>3</sup>, confirm that risks assumed are intended. Our process assures that individual securities, sectors, industries and factors are appropriately contributing to the portfolio's risk/return profile and objective.

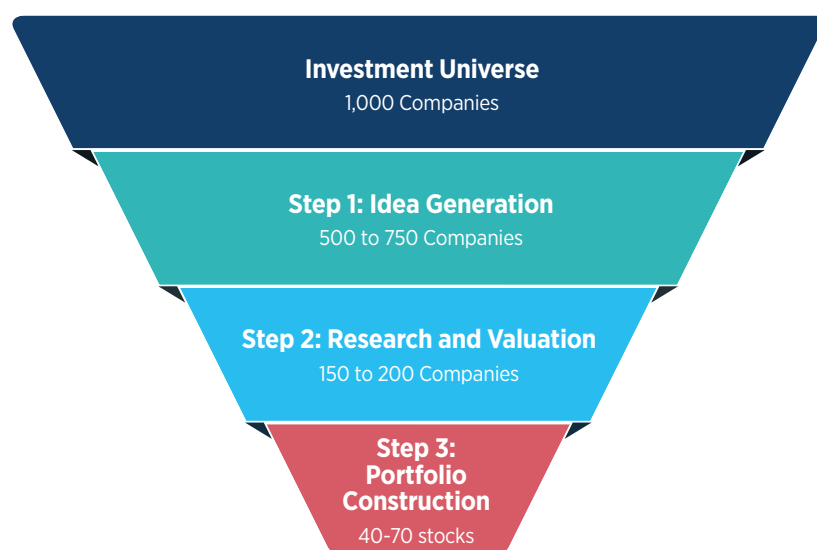
## Disciplined Process of Portfolio Construction

After narrowing the equity universe in the idea generation process, the team conducts rigorous fundamental analysis, quantitative screening and modeling to determine the stocks that best meet the SMA's investment criteria related to quality and risk.

The portfolio managers assess the fit of buy or overweight-rated stocks with the portfolio-specific criteria. Position sizes are weighted based on the conviction level of the portfolio managers and the potential downside risk. A stock that violates the sustainability criteria established in the investment philosophy becomes a sell candidate.

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## Investment Process Fully Integrates ESG



**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.

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<sup>3</sup>Diversification does not assure a profit or protect against loss.

# An Integrated, ESG-Focused Approach

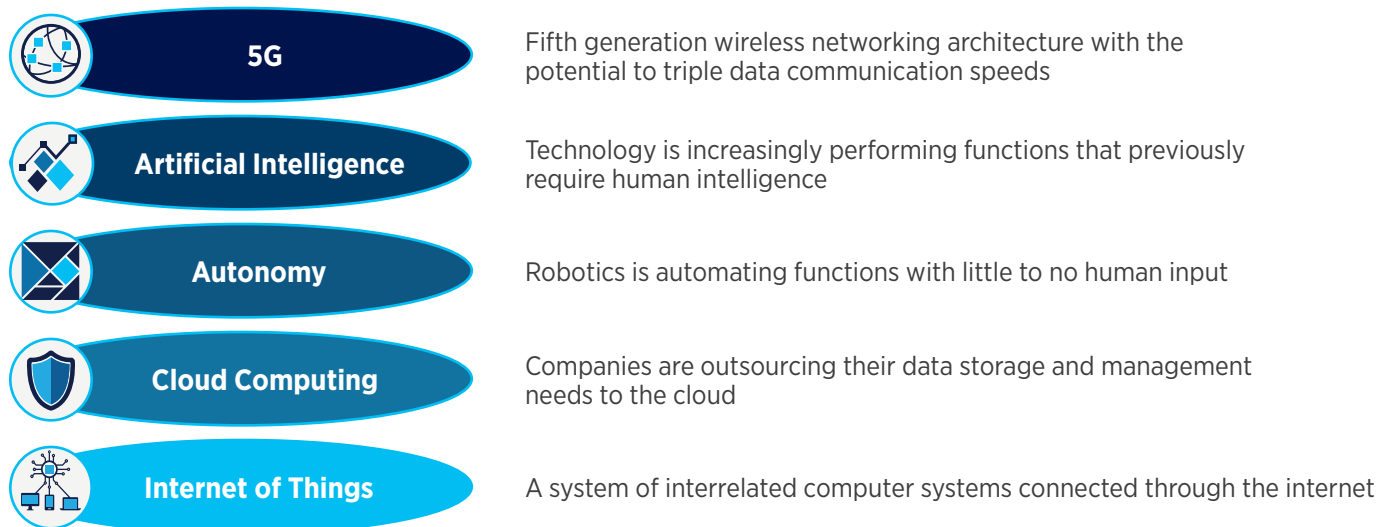
Included in the investment process, Pioneer SMA conducts a sustainability analysis on every holding in the portfolio using the following criteria:

- 1. Competitive advantage:** We seek companies that can maintain above-average profitability and cash flow generation, are market-share leaders, and have defendable competitive positions as evidenced by factors including scale, network effect, cost and brand.
- 2. Financial:** We favor stocks that demonstrate financial strength as evidenced by the following:
  - **High profitability** that drives **free cash flow generation**, which can be used to grow and/or return money to shareholders in the form of dividends<sup>4</sup> or share repurchases.
  - **Organic Growth**, which can result in higher equity valuations as well as strong employee recruitment, compensation and retention.
  - **Appropriate debt levels** are a sign that the company is financially stable and able to survive periods of economic distress.
- 3. ESG:** High or improving ESG ratings can positively impact a company's brand and competitive position, potentially resulting in higher growth, profitability and stock price performance. In addition, avoiding companies with high ESG risks is especially important in today's market environment where investors place increased emphasis on ESG issues.



## Opportunistic Allocation Across Growth and Value Stocks

The SMA is able to migrate across the growth and value spectrum as it seeks to identify stocks with the best risk-return profile, depending on the current market conditions. One notable aspect of this approach is the Portfolio's focus on companies benefiting from one or more of five secular technology themes—5G, artificial intelligence, autonomy, cloud computing, and the internet of things (IoT). The SMA favors companies that are either providers of technology related to the five themes (typically growth stocks) or aggressive adopters of the technology (typically value stocks).



The SMA is actively managed and themes are subject to change.

<sup>4</sup> Dividends are not guaranteed.

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

The **S&P 500® Index** is a commonly used measure of the broad US stock market. Indices are unmanaged and their returns assume reinvestment of dividends and do not reflect any fees or expenses. Indices are unmanaged and their returns assume reinvestment of dividends do not reflect any fees or expenses.

#### 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 portfolio generally excludes** corporate issuers that do not meet or exceed minimum ESG standards. Excluding specific issuers limits the universe of investments available to the Fund, which may mean forgoing some investment opportunities available to funds without similar ESG standards.

#### 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 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.**