

Pioneer Equity Income SMA

Performance Analysis and Market Commentary | March 31, 2024

Investment Philosophy

We believe a diversified portfolio of sustainable companies that pay, sustain and increase dividends* over time can provide competitive performance with less risk

Performance Review

	Month-to-Date	Quarter-to-Date	Year-to-Date	1-Year	3-Year	5-Year	10-Year
Pioneer Equity Income SMA (Gross)	5.83%	8.31%	8.31%	16.38%	7.89%	9.39%	9.81%
Pioneer Equity Income SMA (Net)	5.56%	7.52%	7.52%	12.89%	4.75%	6.20%	6.61%
Russell 1000® Value Index (Benchmark)	5.00%	8.99%	8.99%	20.27%	8.11%	10.32%	9.01%

Performance shown is based on the Pioneer Dividend Equity SMA composite. The percentage of composite assets represented by wrap fee portfolios for the periods shown is 0%. Due to rounding, figures may not total 100%. Gross of fee returns are presented before management and custodial fees, but after all transaction costs. Net returns are calculated by deducting the highest anticipated applicable annual wrap fee (3.00% on all assets) applied on a monthly basis from the gross composite monthly return. Gross and net returns are calculated in the same manner using the Time-Weighted Rate of Return method. The wrap fee includes all charges, transaction costs, portfolio management fees, custody fees, and other administrative fees. Actual fees and account minimums may vary. **Past performance is no guarantee of future results.**

On July 3, 2017, Amundi Asset Management acquired Pioneer Investments (the “prior firm”, now Amundi US). Performance prior to July 3, 2017 occurred while members of the portfolio management team were affiliated with the prior firm. Such members of the portfolio management team were responsible for investment decisions at the prior firm and the decision-making process has remained intact.

Market Review

- The S&P 500 Index (SPX) reached new all-time highs in the quarter, surging 10.56%, and marking the best start to a year since 2019. The stellar performance was due to optimism regarding economic growth, Federal Reserve (Fed) rate cuts, and artificial intelligence (AI).
- Notably, while the so-called Fabulous Four (Amazon, Meta Platforms, Microsoft, and NVIDIA) led the market higher, the remaining three stocks in the Magnificent 7** (Alphabet, Apple, and Tesla) underperformed. Market breadth increased as the quarter progressed, with the S&P 500 Equal Weighted Index (SPW) outperforming the SPX in March. Value also outperformed growth in March, with the Russell 1000 Value Index (RLV) returning 5.00% compared with 1.76% for the Russell 1000 Growth Index (RLG).
- Ten out of the eleven Global Industry Classification Standard (GICS) sectors posted positive gains in the quarter. Communication services, energy, and information technology were the top performers while real estate was the only sector with a negative return.

*Dividends are not guaranteed. **As of March 31, 2024, the Portfolio did not own Amazon, Apple, Microsoft, Meta Platforms, NVIDIA or Tesla. The Portfolio did own Alphabet.
Diversification does not assure a profit or protect against loss

Performance Review

- Pioneer Equity Income SMA returned 8.31% gross and 7.52% net for the first quarter of 2024, underperforming the 8.99% return of the RLV, the SMA's benchmark.
- Our dividend-focused approach saw us underweight non-dividend payers which outperformed for the majority of the quarter and detracted from results. Stock selection also generated headwinds as selection in industrials and financials counteracted any positive effects generated by selection in consumer discretionary and communication services. It's worthwhile to note that in March, as the market shifted away from its narrow growth/tech favored environment, value outperformed growth and the SMA outperformed the benchmark by 0.83% gross and 0.56% net.
- Stocks that detracted from relative performance included United Parcel Service and Xcel Energy. **United Parcel Service**, a delivery and logistics company, saw shares decline as the company guided to sluggish volume and pricing pressure given soft demand. We believe we see opportunities for United Parcel Service to regain market shares that were diverted during the union contract negotiation and to improve its margins on productivity initiatives over time. **Xcel Energy** is a utility company that provides electrical and natural gas services. The company saw its share price sink on concerns that one of its subsidiary's utility poles could be the cause of a wildfire in Texas. We have since exited the position in Xcel Energy given the uncertainty and potential liabilities.
- **Walt Disney**, an entertainment and media company, was the top contributor for the quarter as shares rose on increased confidence that its streaming business is approaching break-even, and that management is making progress to return the company to sustainable growth with announced partnerships and cost savings effort. Walt Disney declared an increase of dividend payment by 50% for its upcoming distribution, this coming off the back of just reinstating dividends at the end of 2023. **Wells Fargo**, a financial services company, also contributed for the quarter after it reported a termination of a consent order, demonstrating continued progress in satisfying regulator's request for better risk controls related to sales practice misconduct first identified in 2016. With its low-cost deposits and strong capital level, we believe there are opportunities for Wells Fargo to improve return on equity over time.

Top Relative Detractors and Contributors – First Quarter 2024

Relative Contributors	Average % of Portfolio	Relative Detractors	Average % of Portfolio
— Walt Disney (DIS)	2.8%	— United Parcel Service (UPS)	3.5%
— Wells Fargo & Co. (WFC)	4.4%	— Xcel Energy (XEL)	1.1%
— Target Corporation (TGT)	1.9%	— Berkshire Hathaway (BRK)	0.0%
— eBay Inc. (EBAY)	2.2%	— Sanofi (SNY)	2.1%
— Boeing Company (BA)	0.0%	— Cisco Systems (CSCO)	3.1%

Securities listed above are holdings of the Portfolio, or benchmark components that were not held in the Portfolio, and the average percentage of the Portfolio's invested assets they represented for the quarterly period, shown in descending order from greatest to least, in terms of contribution to or deduction from the Portfolio's performance relative to the benchmark. See Page 4 for more information about performance attribution.

Market Outlook and Positioning

- We believe the recent dislocations in the regional banking sector could cause further tightening in financial conditions over the coming months as banks tighten their lending standards to preserve liquidity. We tend to agree with what has emerged as a consensus opinion, namely that interest rates and inflation have both, for now, peaked and may drift down over the next year. On the other hand, the extent to which the peaking may be attributable to a softer economy is a subject of debate. The answer to that could have significant meaning for corporate earnings and potentially share-price performance this year.
- Despite a strong but highly volatile 2023 for equities, particularly for growth stocks, we remain cautious that the rebound experienced in 2023 may be little more than a bear market rally driven by the more speculative parts of the market, and by the recent resurgence in the share prices of mega-cap technology stocks. This caution remains prudent given the market breadth increase experienced in March. A mild recession, in our view, is more likely than a “soft landing”. While expectations are for market volatility to remain high over the coming months, we think the market may look forward to an earnings recovery in 2024 and end the year higher than where it started.
- The SMA currently has benchmark-relative overweight exposures to the cyclical sectors that we expect to do well during an economic recovery, including consumer discretionary, materials, and energy. To balance the Portfolio's cyclical positioning, given the uncertain trajectory of the economic recovery, we also have maintained portfolio exposures to the more defensive areas of the market, such as the consumer staples sector.

Performance Attribution: Additional Information

This performance attribution seeks to identify and quantify the drivers of portfolio performance relative to that of its benchmark. Using FactSet software, we create hypothetical subportfolios by segmenting the portfolio and its benchmark, then measure the value (weight) and returns of those hypothetical subportfolios. This lets us measure the performance impact of a decision to overweight or underweight a portfolio segment. It also lets us measure the performance impact of a specific security selection within each segment.

The Nasdaq 100 Index is a stock market index made up of 101 equity securities by 100 of the largest non-financial companies listed on the Nasdaq stock exchange. **The Russell 1000 Growth Index** measures the performance of the large-capitalization growth sector of the US equity market. **The Russell 1000 Value Index** measure the performance of the large-capitalization value sectors of the US equity market. **The S&P 500 Index** measures the performance of the broad US stock market. **The S&P 500 Equal Weight Index (EWI)** is the equal-weight version of the widely used S&P 500 Index. The index includes the same constituents as the capitalization weighted S&P 500, but each company in the S&P 500 EWI is allocated a fixed weight. 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.

The Global Industry Classification Standard (GICS) SM was developed by and is the exclusive property and a service mark of Standard & Poor's and MSCI. Neither Standard & Poor's, MSCI nor any other party involved in making or compiling any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall Standard & Poor's, MSCI, any of their affiliates or any third party involved in making or compiling any GICS classification have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

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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.

Performance shown is past performance, which is no guarantee of future results. Current performance may be lower or higher than the performance data quoted.

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.