

# Pioneer Funds – European Quant Equity

## January 2010

Class A EUR Non-Distributing

European Equity

## A European Portfolio Based on Our Best Research Ideas

A quantitative approach to investments

- A European equity Portfolio that reflects the best investment ideas of Pioneer Investments' Quantitative Research team.
- Selects the best investment opportunities through a rigorous screening of the investible universe, which is made up of approx. 2,500 European companies.
- Quant research ideas feed into the entire investment process and are used by Fundamental Analysts and Portfolio Managers.

Proprietary research and continuous comparison

- Based on proprietary models of analysis, quant research activity is repeatable and scalable.

- The features to be considered and the results of the analysis are discussed in monthly meetings to identify investments ideas.

Focus on undervalued companies

- Companies within the investible universe are divided in homogeneous groups to identify those that present the best characteristics within the same 'Industry Group', in terms of balance sheet, profit assessment and market price.
- Seeks undervalued stocks: high-quality companies that we expect to grow consistently but whose intrinsic value is not expressed in their market price.

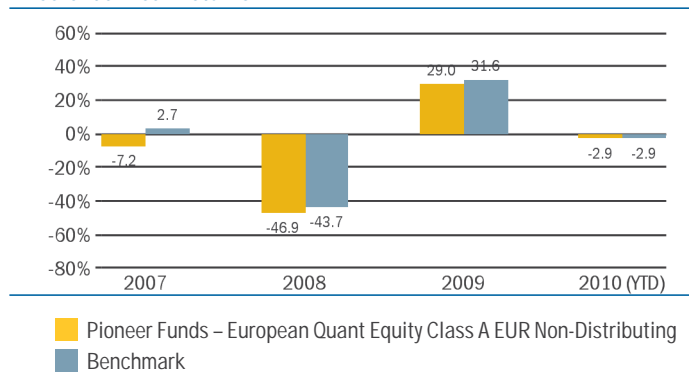
### Portfolio Details

End Month Nav	€37.69
Fund Size (Mil)	€496.5
Fund Inception	03/06/2004
First Nav Date (A Class)	29/10/2004
ISIN Number	LU0190661008
Bloomberg Code	PIOEQAE LX
Cusip	-
Benchmark	MSCI Europe

### Risk Analysis

Standard Deviation (3 Years)	21.37 %
Sharpe Ratio (3 Years)	-0.90
Alpha	-3.30 %
Beta	1.0276
Relative Information Ratio	< 0
Tracking Error	2.85 %

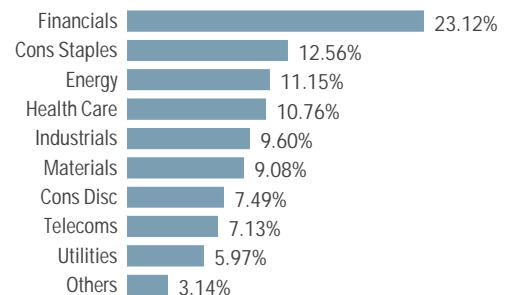
### Calendar Year Returns



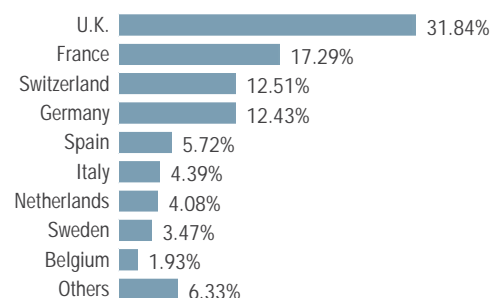
### Top 10 Holdings

Name	Sector	Country	%
Hsbc Holdings PLC	Financials	GB	3.0
Bp PLC	Energy	GB	2.3
Total Sa	Energy	FR	2.2
Nestle Sa	Consumer Staples	CH	2.2
Novartis AG	Health Care	CH	2.1
Banco Santander Central Hispano Sa	Financials	ES	1.7
Roche Holding AG	Health Care	CH	1.7
Telefonica S.A.	Telecoms	ES	1.6
Vodafone Group PLC	Telecoms	GB	1.5
Sanofi-aventis	Health Care	FR	1.5

### Sector Breakdown



### Country Breakdown



# Investment Process

## Step 1 - Quant Model Development

### 1. Interaction with Investment Teams

- Key screening factors identified through interaction with Fundamental Analysts and Portfolio Managers.
- 20 unique screening models at industry group level allow for a sector specific approach and benefit from fundamental analysts' specialist insight.

### 2. Factor Creation

- Economically sound factors are necessary with long histories of typically 10 years.

### 3. Multivariate Analysis

- Multi-Factor Screening Model is designed to capture systematic drivers of stock prices, using aspects of company structure, valuation, performance and market expectations.

### 4. Factor Combination & Optimisation

- Model assessment combines multiple factors into one 'optimal' signal.
- Regression of excess forward returns on factors.
- Ranking of each factor and constructing portfolios based on a weighted combination.
- Factor weights are optimised over history by forming portfolios at each period based on the weighting combination, and by measuring performance and assessing model according to user-defined criteria.

## Step 2 - Buy-Sell List Definition

- Companies in the 2,500 stock universe are analysed and ranked within their Industry Group and according to Industry specific variables.
- Stocks ranked at the top of each Industry Group are added to the "buy list" that can be added to the Portfolio.

## Step 3 - Portfolio Construction

- Diversified Portfolio with a style and sector neutral approach.
- No market cap constraints.
- Portfolio construction is achieved through a proprietary optimisation tool, governing liquidity and overweight/underweight constraints versus the benchmark.

# About The Investment Team

Pioneer Funds – European Quant Equity is managed by Diego Franzin, Head of Global Quantitative Research, supported by Dieter Beil. Diego is also responsible for a team of Global Quantitative Research Analysts dedicated to supporting Portfolio Managers in generating alpha for both equity and fixed income products, and managing quantitative portfolios.

Diego is a graduate in Economics from the University of Pavia with specialisation in econometrics and statistics. He holds a PLD from Harvard University, USA. Dieter is part of the Quantitative Equity team in Dublin and is responsible for selected European sector models. Dieter holds an MBA from the University of Siegen, Germany.



## Notes

Risk Measures, except Standard Deviation and Sharpe Ratio, are based on Class E Units, which are only offered for public sale in Italy. Standard Deviation and Sharpe Ratio: Lipper. Performance data provided refers to Class A units only, and is based upon NAV net of fees. For details of other unit Classes available, please refer to the prospectus.

## Disclaimer

**This information is not for distribution and does not constitute an offer to sell or the solicitation of any offer to buy any securities or services in the United States or in any of its territories or possessions subject to its jurisdiction or for the benefit of any United States person (being residents and citizens of the United States or partnerships or corporations organized under United States laws). The Fund has not been registered in the United States under the Investment Company Act of 1940 and units of the Fund are not registered in the United States under the Securities Act of 1933. This document is not intended for and no reliance can be placed on this document by retail clients, to whom the document should not be provided.**

Unless otherwise stated all information contained in this document is from Pioneer Investments and is as at 29/01/2010. Pioneer Funds – European Quant Equity is a sub-fund (the "Sub-Fund") of Pioneer Funds (the "Fund"), a fonds commun de placement with several separate sub-funds established under the laws of the Grand Duchy of Luxembourg. Past performance does not guarantee and is not indicative of future results. Unless otherwise stated, all views expressed are those of Pioneer Investments. These views are subject to change at any time based on market and other conditions and there can be no assurances that countries, markets or sectors will perform as expected. Investments involve certain risks, including political and currency risks. Investment return and principal value may go down as well as up and could result in the loss of all capital invested. More recent returns may be different than those shown. Please contact your sales representative for more current performance results. This material is not a prospectus and does not constitute an offer to buy or a solicitation to sell any units of the Fund or any services, by or to anyone in any jurisdiction in which such offer or solicitation would be unlawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. For additional information on the Fund, a free prospectus should be requested from Pioneer Global Investments Limited ("PGIL"), 1 George's Quay Plaza, George's Quay, Dublin 2, Ireland. Call +353 1 480 2000 Fax +353 1 449 5000. This content of this document is approved by PGIL. In the UK, it is directed at professional clients and not at retail clients and it is approved for distribution by Pioneer Global Investments Limited (London Branch), 123 Buckingham Palace Road, London SW1W 9SL, authorised by the Financial Regulator in Ireland and regulated by the Financial Services Authority for the conduct of UK business. The Fund is an unregulated collective investment scheme under the UK Financial Services and Markets Act 2000 and therefore does not carry the protection provided by the UK regulatory system.

Pioneer Funds Distributor, Inc., 60 State Street, Boston, MA 02109 ("PFD"), a U.S.-registered broker-dealer, provides marketing services in connection with the distribution of Pioneer Investments' products. PFD markets these products to financial intermediaries, both within and outside of the U.S. (in jurisdictions where permitted to do so) for sale to clients who are not United States persons. Pioneer Investments is a trading name of the Pioneer Global Asset Management S.p.A. group of companies. For Broker/Dealer use only and not to be distributed to the Public. Date of First Use 23/02/2010.