

Pioneer Funds – European Small Companies

October 2010

Class A EUR Non-Distributing

European Equity

Small Caps – A Niche Market Full of Opportunities

A broad and less known investment universe

- Small cap companies (with market capitalisation between €1 - €3 billion) represent the majority of companies listed in European markets.
- This investment universe is not completely known yet by analysts, especially those focused on large caps. This provides good investment opportunities.
- Stock picking in the small-cap market and the low correlation with large caps make this Portfolio a good diversification opportunity, which may complement an equity Portfolio focused only on large-cap companies.

Strong position in an attractive market niche

- Invests in companies with a leading position in their market niche.
- The management of small companies often hold significant stakes in their companies – a strong incentive to deliver results.
- Rigorous bottom-up approach based on company fundamentals.
- Dedicated specialist small-cap investment team.

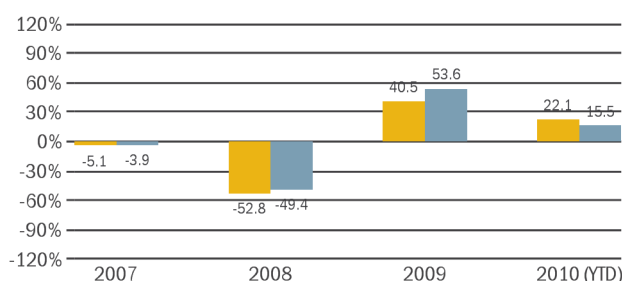
Portfolio Details

End Month Nav	€9.40
Fund Size (Mil)	€270.6
Fund Inception	05/10/2001
First Nav Date (A Class)	29/11/2001
ISIN Number	LU0133552405
Bloomberg Code	PIEUSCA LX
Cusip	L7599P202
Benchmark	Stoxx Europe Small 200

Risk Analysis

Standard Deviation (3 Years)	26.80 %
Sharpe Ratio (3 Years)	-0.49
Alpha	-2.97 %
Beta	0.9146
Relative Information Ratio	< 0
Tracking Error	6.42 %

Calendar Year Returns

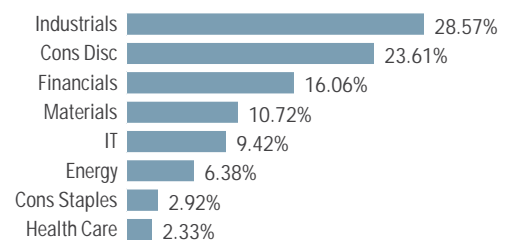


■ Pioneer Funds – European Small Companies Class A EUR Non-Distributing
 ■ Benchmark

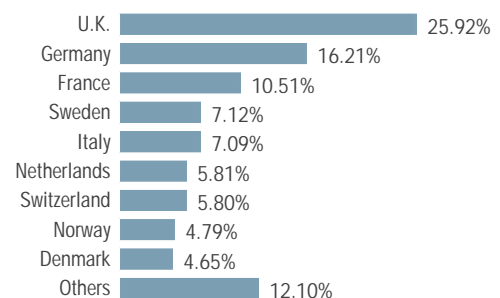
Top 10 Holdings

Name	Sector	Country	%
Bekaert Sa	Industrials	BE	2.7
Lanxess AG	Materials	DE	2.6
Koninklijke Vopak NV	Industrials	NL	2.5
Croda International	Materials	GB	2.5
Faurecia	Cons Disc	FR	2.0
Telecity Group PLC	IT	GB	2.0
Kabel Deutschland Holding AG	Cons Disc	DE	2.0
Andritz AG	Industrials	AT	1.9
Dialog Semiconductor PLC	IT	DE	1.8
Statoil Fuel & Retail Asa	Cons Disc	NO	1.8

Sector Breakdown



Country Breakdown



Investment Process

Step 1 - Idea Generation

- The investment universe consist of over 1,700 stocks with a market capitalisation of under €3 billion.
- In-depth understanding of companies: identifying small cap companies with good earnings growth potential.

Step 2 - Fundamental Research

- Bottom-up approach aims to identify high-quality companies with strong fundamentals and sustainable profitability.
- Stock screening to eliminate those stocks that do not meet our criteria based on liquidity and the size of free market capitalisation.
- Contribution of quantitative research adds discipline and insight, and supports idea generation.

Step 3 - Security Selection

Only invest in companies that we believe are able to outperform the benchmark over the long term. Buy decision is dependent on:

- Leadership in their market niche and 'pioneership' for the process, products and services
- Quality of the management that we meet face-to-face to discuss the companies' strategies
- Visibility in earnings growth and cash-flow generation
- Attractive valuation and significant upside potential.

Step 4 - Portfolio Construction

- Approximately 85 holdings.
- Concentrated, so individual stocks contribute to outperformance but diversified to limit the impact of a single stock on overall Portfolio results.
- Medium to long-term investment horizon with controlled turnover.
- Tracking error band of 2.3% - 6.4%.
- Emphasis on risk control, considering absolute, portfolio and organisational risk.
- Sell discipline: target price reached; change of investment case; or better investment opportunities arise elsewhere.

About The Investment Team

Pioneer Funds – European Small Companies is managed by the Small Cap European Equity team. Cristina Matti is Head of Small and Mid Cap Equity and lead Portfolio Manager. Previously she was a member of the European Equities team since 1996, and from the start of her career has focused on European equity markets. A graduate of Bocconi University in Milan, she joined Credit Rolo Gestioni (part of the UniCredito Italiano Banking Group) from Fondigest in Milan where she worked as a portfolio manager. Her three years there saw her concentrate on blue chip, small and mid cap companies in the Irish, UK, and Scandinavian equity markets.



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.

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