

Pioneer Funds – European Small Companies

January 2010

Class A USD 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.

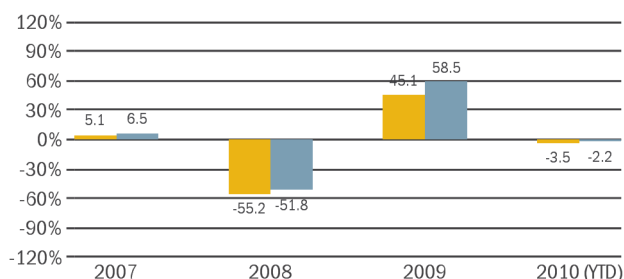
Portfolio Details

End Month Nav	\$7.07
Fund Size (Mil)	\$353.4
Fund Inception	05/10/2001
First Nav Date (A Class)	30/11/2001
ISIN Number	LU0133552157
Bloomberg Code	PIEUSAU LX
Cusip	L7599P178
Benchmark	Dow Jones Stoxx 200 Small

Risk Analysis

Standard Deviation (3 Years)	30.51 %
Sharpe Ratio (3 Years)	-0.53
Alpha	-5.02 %
Beta	0.9052
Relative Information Ratio	< 0
Tracking Error	6.50 %

Calendar Year Returns

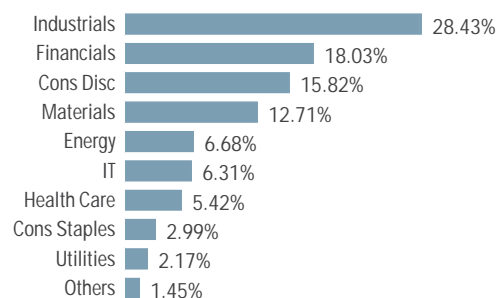


■ Pioneer Funds – European Small Companies Class A USD Non-Distributing
■ Benchmark

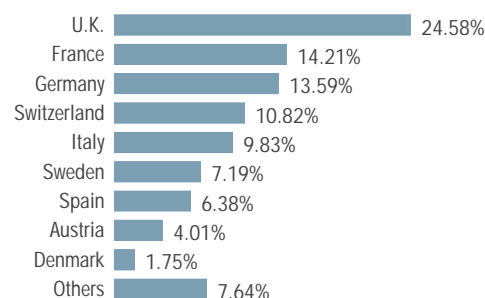
Top 10 Holdings

Name	Sector	Country	%
Bilfinger Berger AG	Industrials	DE	2.6
Voestalpine AG	Materials	AT	2.0
Andritz AG	Industrials	AT	2.0
Azimut Holding Spa	Financials	IT	1.9
Lanxess AG	Materials	DE	1.8
Rheinmetall AG	Industrials	DE	1.8
Tecnicas Reunidas Sa	Energy	ES	1.7
Tognum AG	Industrials	DE	1.7
Hexagon Ab	Industrials	SE	1.6
Temenos Group AG	IT	CH	1.6

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

Performance figures are in USD and have been converted from the Sub-Fund's base currency, the euro.

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 to 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 Small Companies 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.