

# Pioneer Funds – Global Select

## January 2010

Class A USD Non-Distributing

S&amp;P Fund Management Rating A

Global Equity

## Global Systematic Stock Picking Key to Success

Buy low expectations, sell high expectations

- Stocks are systematically mispriced because investors repeatedly overvalue companies with recent strong performance and undervalue companies with recent poor performance. In behavioural finance, this is known as 'Extrapolation Bias'.
- The Portfolio seeks to exploit the market inefficiencies that exist due to the discrepancy between investors' extrapolation bias and economic reality.

Benefit from a flexible investment process

- A global, broadly diversified, bottom-up stock picking approach.

- An unconstrained investment approach allows maximum freedom to benefit from the investment philosophy, across all sectors and geographies.
- Our quantitative model aims to objectively identify buy opportunities, while our qualitative fundamental analysis underpins our final investment decision.
- Options are used to hedge a portion of the Portfolio against price fluctuations.
- Reduction of currency risk is achieved through an active currency overlay strategy.

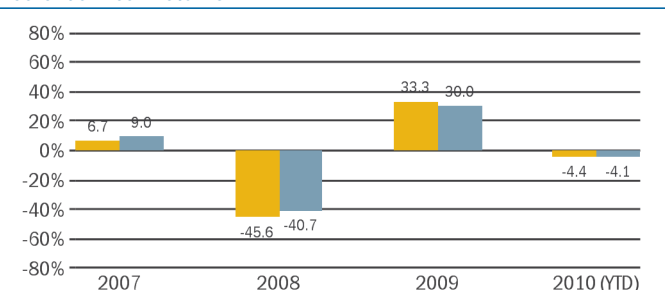
### Portfolio Details

End Month Nav	\$47.69
Fund Size (Mil)	\$523.6
Fund Inception	30/03/2007
First Nav Date (A Class)	11/06/2007
ISIN Number	LU0271651688
Bloomberg Code	PIOGSAA LX
Cusip	L759AC290
Benchmark	MSCI World

### Risk Analysis

Standard Deviation (2 Years)	28.11 %
Sharpe Ratio (2 Years)	-0.54
Alpha	-0.11 %
Beta	1.0362
Relative Information Ratio	< 0
Tracking Error	7.59 %

### Calendar Year Returns

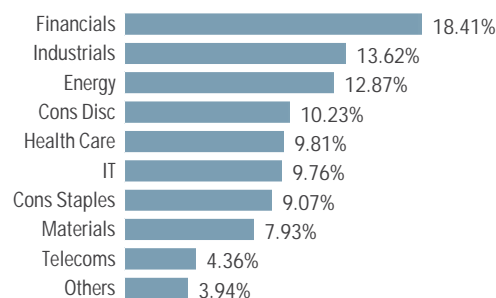


■ Pioneer Funds – Global Select Class A USD Non-Distributing  
 ■ Benchmark

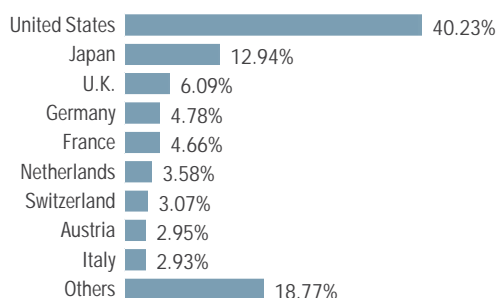
### Top 10 Holdings

Name	Sector	Country	%
El Paso Corporation	Energy	US	1.4
International Paper Co	Materials	US	1.4
Computer Sciences Corp	IT	US	1.3
Verizon Communications Inc	Telecoms	US	1.2
Koninklijke Dsm NV	Materials	NL	1.2
Marathon Oil Corp	Energy	US	1.2
Motorola Inc	IT	US	1.2
Regions Financial Corp	Financials	US	1.2
Danaher Corp	Industrials	US	1.2
Sysco Corp	Consumer Staples	US	1.1

### Sector Breakdown



### Country Breakdown



# Investment Process

## Step 1 - Idea Generation

- Quantitative screening of a broad investment universe of approx. 2,400 stocks.
- Our proprietary model identifies those stocks with low investor expectations, but with improving fundamentals. It also highlights which companies to avoid, due to high expectations.
- Stocks ranked every month according to attractiveness, with the top 20% of stocks considered as buy candidates. Fundamental qualitative analysis conducted on identified opportunity set.

## Step 2 - Build Investment Case

- We only invest in those companies where qualitative research supports the likelihood of an adjustment in market expectations, and we exclude stocks where fundamentals justify current low expectations and low valuations.
- Focus on business models, balance sheet structure, shareholder structure as well as company and sector specific factors.
- Qualitative analysis reduces the opportunity set to 150 - 200 stocks for inclusion in the Portfolio.

## Step 3 - Portfolio Management

We implement a four-tiered approach to risk management:

- Risk relative to benchmark: we deconstruct ex-ante tracking error to identify potential risks associated with holdings.
- Company specific risk: we seek to mitigate unintentional company-specific risk by holding a broadly diversified Portfolio of 150 - 200 holdings.
- Short-term market volatility: we utilise option strategies that aim to insure a portion of the Portfolio against unpredictable market events.
- Currency risk: we utilise currency overlay strategies, which allow us to limit the impact of foreign exchange fluctuations, while simultaneously benefiting fully from diversification benefits.

# About The Investment Team

Pioneer Funds – Global Select is managed by Dr. Harald Staudinger. Harald, CFA (Chartered Financial Analyst), was Head of Global Equities at Pioneer Investments' Munich branch before moving to the Global Equities team in Dublin in September 2007, where he is a Senior Equity Portfolio Manager. He is responsible for managing several retail equity funds and especially focuses on diversified equity funds constructed through quantitative and qualitative investment processes. In addition, Harald is a Lecturer in Financial Management (MBA) at the University of Linz in Austria.



## 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 Activest GlobalSelect Class C Units prior to 30 March 2007 and on Pioneer Funds – Global Select Class A Units since 30 March 2007. Standard Deviation and Sharpe Ratio: Lipper.

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