

# Pioneer Funds – Japanese Equity

## November 2010

Class A USD Non-Distributing

Emerging and Far East Equity

## Explore the Potential of Japanese Stocks

Global perspective combined with local expertise

- Portfolio Manager is Singapore-based and her decisions are supported by company visits, internally developed quantitative models and sell-side research.
- The team of Analysts and Portfolio Managers undertakes several one-to-one company meetings each year along with numerous meetings and conferences.

Diversification opportunities

- Can be an ideal vehicle to help diversify an investor's portfolio and take advantage of the growth opportunities available in the Japanese market.

Flexible investment strategy

- Growth at a reasonable price approach – focuses on identifying the best investment opportunities based on company fundamentals.
- A multi-cap approach – freedom to invest in all capitalisation ranges and across all sectors.

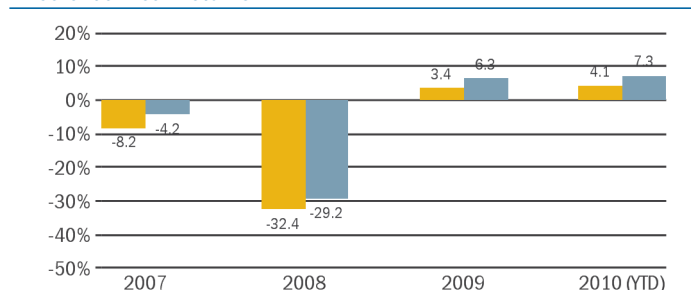
### Portfolio Details

End Month Nav	\$2.54
Fund Size (Mil)	\$453.4
Fund Inception	28/06/2000
First Nav Date (A Class)	27/12/2001
ISIN Number	LU0132212605
Bloomberg Code	PIOJPAU LX
Cusip	L7599Q564
Benchmark	MSCI Japan

### Risk Analysis

Standard Deviation (3 Years)	20.25 %
Sharpe Ratio (3 Years)	-0.74
Alpha	-1.26 %
Beta	0.9751
Relative Information Ratio	< 0
Tracking Error	2.44 %

### Calendar Year Returns

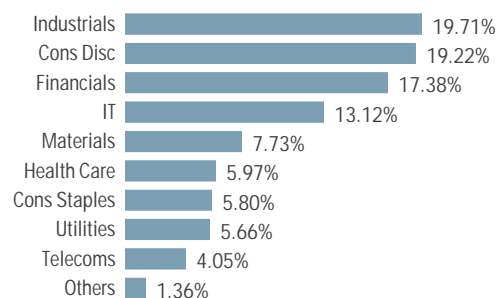


■ Pioneer Funds – Japanese Equity Class A USD Non-Distributing  
 ■ Benchmark

### Top 10 Holdings

Name	Sector	Country	%
Toyota Motor Corp	Cons Disc	JP	4.6
Mitsubishi Ufj Financial Group Inc	Financials	JP	2.5
Honda Motor Co Ltd	Cons Disc	JP	2.4
Canon Inc	IT	JP	2.1
Sumitomo Mitsui Financial Grou	Financials	JP	2.0
Takeda Pharmaceutical Co Ltd	Health Care	JP	1.8
Mizuho Financial Group Inc	Financials	JP	1.7
Sony Corp	Cons Disc	JP	1.5
Mitsubishi Corp	Industrials	JP	1.4
Mitsui & Co Ltd	Industrials	JP	1.3

### Sector Breakdown



### Country Breakdown



# Investment Process

## Step 1 - Idea Generation

- Companies registered in or exercising a preponderant part of their economic activity in Japan.
- Focus on stock selection within a broader macroeconomic and political context.
- Investment across all capitalisation ranges and sectors.

## Step 2 - Research

- Growth at a reasonable price approach.
- Bottom-up stock selection & top-down country analysis.
- Singapore based Analysts exclusively focused on researching Asian equities.
- Performance analysis, portfolio risk management & additional idea generation / stock screening.

## Step 3 - Stock Selection Criteria

- Aims to avoid high levels of financial risk.
- Corporate governance valuation.
- Utilise among others a proprietary discounted cash flow model and a 3-stage Dividend Discount Model (DDM) to assess fundamental firm value and rankings among groups of stocks.
- Brand value.
- Analyse trends in Return on Capital Employed and Return on Assets.
- Analysis of the operating cash flow.

### *Strong emphasis on risk control in the Portfolio:*

- Absolute risk: research, anticipation of risk, valuation.
- Portfolio risk: tracking error ranges, stock/sector limits, performance attribution, information ratio, VaR etc.
- Organisational risk: pre-trade compliance, centralised trading, internal trading limits, transparency/communication.

## Step 4 - Portfolio Construction

- Number of holdings: approximately 100 - 130 stocks.
- Buy discipline: define investment case, identify discount & construct Portfolio.
- Sell discipline: target price reached, investment case changes or superior opportunities identified elsewhere.

# About The Investment Team

Pioneer Funds – Japanese Equity is managed by Diego Franzin, Head of Global Quantitative Research & Management, supported by Fergal Jackson. 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. Fergal develops stock selection quantitative models for equity markets and is responsible for portfolio construction and management of quantitative equity portfolios. Fergal holds an MBA from Babson College, USA .



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

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