

Quarterly Portfolio Update

Pioneer Funds – Core European Equity

30 June 2010

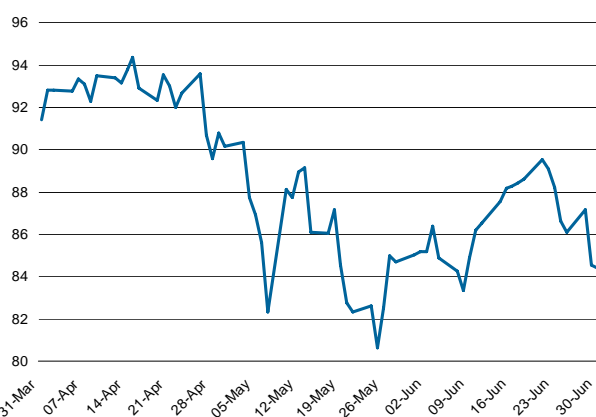
Equity

Review

Pioneer Funds – Core European Equity lagged its benchmark, the MSCI Europe Index, over the second quarter of 2010. In absolute terms, the Portfolio fell by -6.96% over the period (Class A, non-distributing, EUR units), while its benchmark lost -6.31%. On a year-to-date basis, the Portfolio is down -3.76%, while its benchmark fell by -2.45% over the same period.

The main theme in financial markets during the second quarter of 2010 was the crisis of government debt in the euro area. Originated with fears of insolvency about Greece, it has become a global concern since April and erased the gains made by equity markets early in the year, with other cyclical markets such as corporate bonds also taking a hit. The involvement of other countries in this crisis is the latest reflection of the recession, since many governments had their fiscal position worsened by spending increases and other measures to overcome the crisis.

Evolution of MSCI Europe Index over the second quarter of 2010



Source: Bloomberg, daily data, 31 March 2010 – 30 June 2010

The need to consolidate public finances in several euro countries should prompt tighter fiscal policies, which in turn may slow down further the already fragile economic growth. This situation tends to weaken the euro against most currencies, with the US dollar at the lowest level in four years. The decline of the euro improves export competitiveness and therefore is considered an instrument

to support economic growth offsetting weakness in domestic consumption.

Performance Analysis

The Portfolio lagged its benchmark over the second quarter of 2010 primarily as a result of our exposure to oil company BP within the Energy sector. Problems relating to the oil spill in the Gulf of Mexico persisted and weighed on the share price of the stock. We will continue to monitor the situation to determine if it is worth holding and building on in order to take advantage of a recovery, or alternatively exit the position due to the slight risk of circumstances worsening. Depending on the assumption on the amount of total liabilities BP has to pay in terms of clean-up costs and penalties for the damages/losses caused, we still believe that the stock performance has negatively over-reacted and we would look to respond quickly if there is an opportunity to take part in a short-term recovery around the stoppage of the spill. According to the information provided by the company it seems that the drilling of the relief wells is well on track as the first relief well is close to the targeted depth of 18.000 feet, where it will intersect with the original well in the coming weeks. The success of this operation is obviously very important for our decision making.

This holding offset the positive contribution from a number of areas elsewhere in the Portfolio. We gained from investments within Information Technology, particularly from our new holding in Amadeus Global Travel. We like the global oligopoly nature of the business with particularly strong market position in Europe and Emerging Markets. The company's transaction fee based revenue model offers leverage to recovery in passenger numbers and insulation from yield pressures. Additionally, the company's fast growing IT services division plays well to ongoing airlines' cost-cutting/outourcing. Furthermore the company has reduced debt from strong cash flow and has a very attractive valuation.

Looking to other sectors, we were rewarded from stock selection within Utilities, Consumer Discretionary, Health Care and Financials. Conversely, we lost some relative performance as a result of not holding strong performing stocks within the Telecommunications Services sector, and

also through some select stock names within the Industrials space.

Outlook

With regards to outlook, we still maintain a cautious stance as uncertainty and risk aversion will dominate in the short term and we expect equity markets to stay in a wider sideways movement in the near term. Eurozone growth remains uncertain due to stricter fiscal consolidation and austerity measures. However, valuations are looking reasonable at the moment and the upcoming Q2 reporting season will deliver solid earnings results for European companies. We continue to favour high-quality companies and are presently looking for companies with reasonable valuations that should benefit from a weak euro currency, profiting from a lower cost base and generating revenues outside of the home market.

Important Information

Unless otherwise stated all information contained in this document is from Pioneer Investments and is as at 30 June 2010.

MSCI: The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.msicibarra.com).

GICS - The Global Industry Classification Standard (GICS) SM was developed by and is the exclusive property and a service mark of Standard & Poor's and MSCI. Neither Standard & Poor's, MSCI nor any other party involved in making or compiling any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall Standard & Poor's, MSCI, any of their affiliates or any third party involved in making or compiling any GICS classification have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

Pioneer Funds – Core European 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.

The Sub-Fund is actively managed, and current holdings may be different.

References to individual stocks should not be taken as an investment recommendation to buy or sell any particular stock.

Performance figures are in euro. Performance data provided refers to Class A non-distributing units only, and is based upon NAV net of fees. For details of other unit Classes available, please refer to the prospectus.

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 local 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 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.

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.

For Broker/Dealer Use Only and Not to be Distributed to the Public.

Pioneer Investments is a trading name of the Pioneer Global Asset Management S.p.A. group of companies.

Date of First Use 14 July 2010.