

Monthly Portfolio Update

Pioneer Funds – Euro Cash Plus

26 February 2010

Bond

Euro corporate investment-grade bonds outperformed money-market indices in February, but the trend was more stable compared to the previous months. The carry component accounted for most of the monthly gain as a moderate spread tightening affected the single-names universe. On a sector breakdown the best performer was senior banking debt, while the Merrill Lynch index for subordinated banking debt closed the month unchanged. On derivatives, the cost of buying protection against default risk started to increase reaching new year-to-date highs in mid-February.

From an economic point of view, recent mixed survey data and concerns regarding the negative effects on the economic recovery of the efforts by Greece, Portugal and Spain to curb their budget deficits, confirmed our base case. We maintain that low growth and low inflation will prompt the European Central Bank to stay put on rates for most of 2010. During the month, yields on euro government-bond markets fell slightly amid concerns but also hopes of a solution to the Greek crisis.

The Portfolio (Class A, non-distributing, EUR units) closed the month with a gain of 0.18%, benefiting from our holdings in the financial investment-grade universe. At the end of the month, around 58% of the Portfolio was still invested in banking debt, but we reduced the exposure to Lower-Tier 2 from 20% to 15%. At a sector level, we maintain exposure to Automotive, Telecoms and some selected holdings in Consumer Goods and Utilities. We are also maintaining around 10% of the Portfolio's assets invested in asset-backed, mortgage-backed and Pfandbriefe. We did not make any significant changes in the Portfolio's asset allocation, including the synthetic iTraxx Europe Index position, but our holdings in sovereign debt were up to 6%.

We continue to believe that corporate bonds still represent a compelling investment case even if last year's strong returns are unlikely to be repeated in the future. Our focus is on carry trade as we do not believe in a further spread tightening. The role of name selection and a more selective approach will be crucial in order to create value in the Portfolio against a macroeconomic backdrop that remains weak.

Important Information

Unless otherwise stated all information contained in this document is from Pioneer Investments and is as at 26 February 2010.

Pioneer Funds - Euro Cash Plus 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. 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.

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 12 March 2010.