Quarterly Portfolio Update

Pioneer Funds – U.S. Research Value
31 December 2009

Equity

Review

US equity markets closed out a strong 2009 with the S&P 500 up over 5% in Q4 and up over 60% from the March low of 666. For the full year 2009, the S&P 500 Index returned 26.5%, while the Dow Jones Industrial Average Index returned 22.7%.

Following a down month in October, equity markets rebounded strongly in November and finished the year with a "Santa Claus" rally in December. The quarter was marked by the return of large-cap stocks as the Russell 1000 Index outpaced the Russell 2000 Small Cap Index by over 200 bps.

Performance Analysis

Pioneer Funds – U.S. Research Value (Class A, non-distributing, USD units in USD) outperformed its benchmark, the Russell 1000 Value Index, in the fourth quarter of 2009 and for the year. In absolute term, the Portfolio returned 5.1% compared to 4.2% for its benchmark over the quarter, with year-to-date returns of 23.0% and 19.7%, respectively.

Outperformance in Q4 was primarily due to our investments in the Information Technology, Industrials, Energy and Telecommunications Services sectors. Our avoidance of Citigroup, Bank of America and General Electric were the biggest attributors to relative performance in Q4. On the negative side, our performance in the Consumer Discretionary sector was disappointing.

In the Information Technology sector, semiconductor manufacturer Atmel Corp was one of the Portfolio's top contributors, propelled by the introduction of MaxTouch, their innovative touch screen controllers for use in smart phones, which continued to gain traction.

In Industrials, we continued to benefit from our decision to avoid General Electric Co., a material underperformer during the quarter. In contrast, we enjoyed very strong returns from 3M Co. and United Technologies Corp.

In Energy, our avoidance of Exxon, a sizeable component of the benchmark, benefited relative returns, which declined after announcing plans to buy E&P company, XTO Energy Inc.

In Telecommunications Services, our holdings, CenturyTel Inc. and Verizon Communications Inc., outperformed the sector and the S&P 500 Index as investors migrated towards dividend-paying stocks.

We note, during Q4 that the Portfolio benefited by not owning a number of laggards in the Financials sector including Bank of America Corp., Citigroup Inc. and Goldman Sachs Group Inc.

Our poor performance in the Consumer Discretionary sector was the biggest detractor from Portfolio performance in Q4. We missed the big rebound in Ford Motor Co. as the company continued to outpace US rivals. We also missed Walt Disney Co., which was up strongly. In contrast, the Portfolio suffered a bit from our holdings in laggard retailer Gap Inc.

In addition, Diversified Financial company State Street Corp. was a material underperformer during the quarter. We continue to hold the stock and used the weakness to add to our position. CVS also underperformed on news of a greater-than-expected loss of contracts in its Pharmacy Benefits Manager business, in which, as a result of its Caremark acquisition, it will manage the pharmaceutical purchasing of healthcare benefits for companies.

Portfolio Strategy

During the quarter we initiated a position in JP Morgan Chase, as the valuations became more attractive and the brokerage and investment banking business stabilised. We also made a change in Information Technology, trading out of Teradata for Hewlett-Packard. Meanwhile, we swapped out multi-line insurer, Assurant, for property and casualty insurer, ACE.

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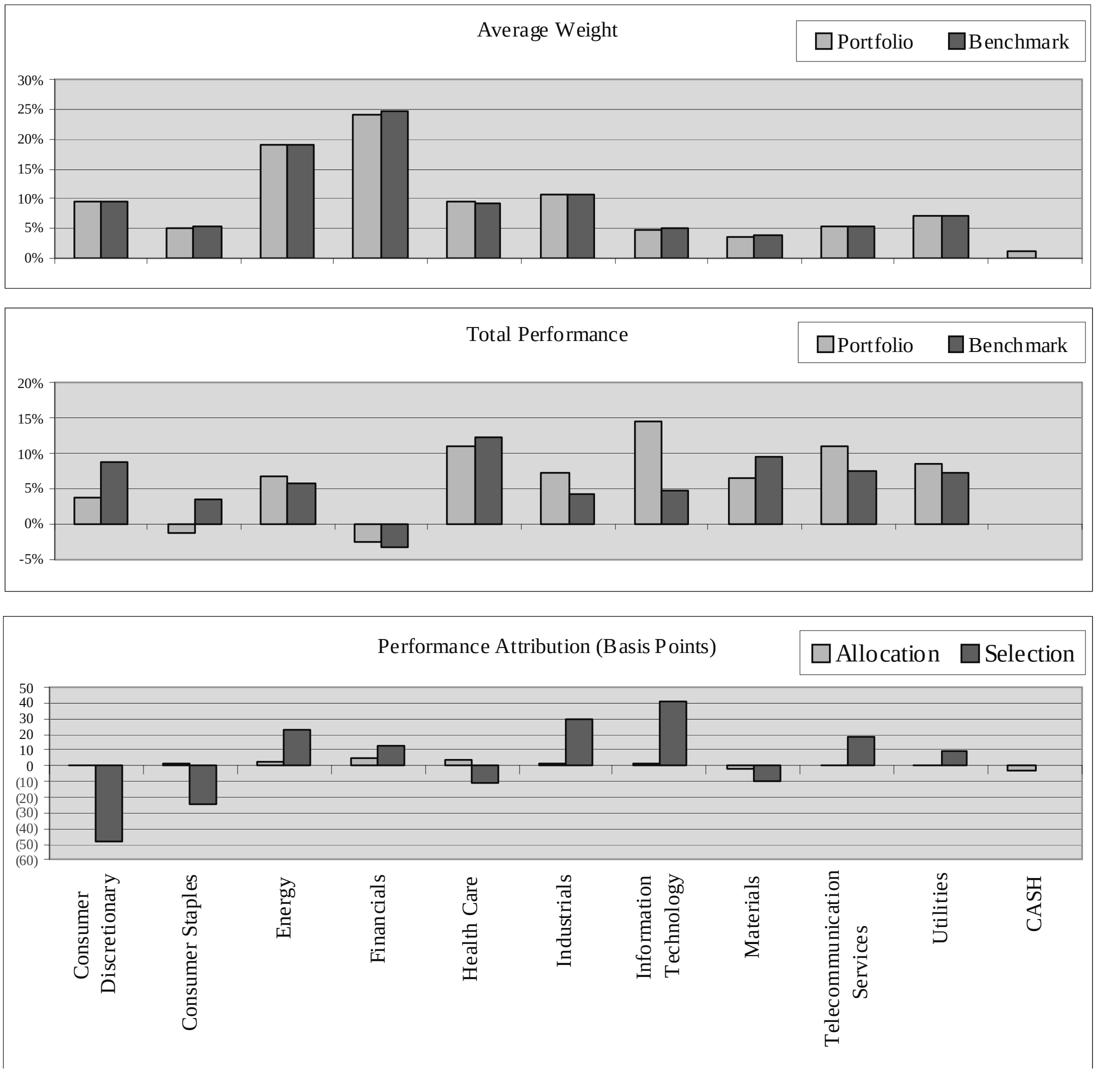

Source: FactSet as at 31 December 2009

Outlook

We are optimistic that the worst is behind us and expect that government policies will continue to support the global economic recovery. While markets have recovered strongly from the March 2009 lows, valuations are not unreasonably high. We are encouraged by continued strength in the capital markets as companies are able to issue equity and raise debt under reasonable terms. M&A activity has picked up a bit, a signal of managements' increasing confidence. High unemployment and significant underemployment remain our primary macroeconomic concerns.

We will continue to focus our efforts on stock picking, our key competitive advantage, and primary performance driver. Our approach to stock picking emphasises bottom-up analysis. We believe that our approach is durable and repeatable, and has the potential to deliver competitive investment results across the business cycle and in a variety of market conditions.

Important Information

Unless otherwise stated all information contained in this document is from Pioneer Investments and is as at 31 December 2009.