

Questions & Answers

Evolution of Pioneer Funds

May 2014

Q & A

Enhancing our Product Range: Pioneer Funds Prospectus Update and Notice Mailing May 2014

As part of the on-going evolution of our product range, we continuously appraise all features of our products. As of 10 June 2014, the following changes will come into effect in our flagship Pioneer Funds umbrella:

- the change of dealing cut-off time for Pioneer Funds – Absolute Return European Equity and Pioneer Funds – European Equity Long/Short*;
- the investment objective clarification of Pioneer Funds – European Potential;
- the benchmark change of Pioneer Funds – Global High Yield;
- the change of name, benchmark and fees for Pioneer Funds – Multi-Asset Conservative.

These changes will be reflected in the June Supplement to the Pioneer Funds Prospectus and the relevant Key Investor Information documents (released on 10 June). Existing unitholders have been notified via a “Notice to Unitholders” dated 7 May 2014. Please find more details below.

Why the extension of the dealing cut-off time for Pioneer Funds – Absolute Return European Equity and Pioneer Funds – European Equity Long/Short*?

The current non-standard early dealing cut-off time is a legacy situation. As of 10 June, the dealing cut-off time for these two Sub-Funds will be aligned with the standard dealing cut-off time for the Pioneer Funds range and will therefore deliver operational efficiencies.

Current Dealing Cut-off Time	New Dealing Cut-off time
Before 12 noon Luxembourg time	Before 6 p.m. Luxembourg time

What is the background with regard to the investment objective clarification for Pioneer Funds – European Potential?

The Sub-Fund’s investment objective now explicitly states:

“The Sub-Fund will invest at least 75% invested in equities and equity-linked instruments issued by companies having their head office in the European Union.”

This investment objective clarification does not alter the current asset allocation of the Sub-Fund. It does however fulfil the eligibility criteria for the French Plan d’Epargne en Actions (PEA), a tax-friendly investment format for French investors. This investment objective clarification may enhance the commercial appeal of the Sub-Fund in France.

*Not yet launched.
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What is the rationale for the benchmark change of Pioneer Funds – Global High Yield?

As of 10 June 2014, the benchmark of Pioneer Funds – Global High Yield will change as detailed below:

Current Benchmark	New Benchmark
BofA Merrill Lynch Global High Yield and Emerging Markets Plus	Barclays Global High Yield Index

The purpose of this benchmark change is to realign the benchmark with the Sub-Fund's existing asset allocation. This is necessary, as the composition of the current benchmark, BofA Merrill Lynch Global High Yield and Emerging Markets Plus, has recently changed significantly in two respects.

Firstly, the exposure to the euro in the current benchmark almost doubled, from 14.4% in January 2012 to 27.6% in August 2013. In contrast, the Sub-Fund's current and targeted exposure to the euro is much lower, with target exposure to the euro (and Eurozone currencies) typically between 5% and 15%. As of March 2014, 4.7% of the portfolio were invested in EUR securities.

Secondly, the current benchmark also increased its exposure to investment grade securities (those rated BBB or higher). From January 2012 to August 2013, the weighting of investment grade securities in the index rose from 23.7% to 39.0%. Pioneer Funds – Global High Yield has a high yield mandate and therefore predominantly invests in below investment grade securities. As of March 2014, 12.84% of the portfolio were investment grade securities.

The Barclays Global High Yield Index was identified as better suited to the portfolio composition of Pioneer Funds – Global High Yield as it has a substantially lower exposure to the euro and investment grade securities. Moreover, it is one of the two most commonly used benchmark in the Sub-Fund's peer universe. The new benchmark does not affect the management of the Sub-Fund, its asset allocation or its expected risk profile.

Why the name change of Pioneer Funds – Multi-Asset Conservative?

The new name better reflects the global scope and worldwide investment universe of the Sub-Fund:

Current Name	New Name
Pioneer Funds – Multi-Asset Conservative	Pioneer Funds - Global Multi-Asset Conservative

Why are we changing the benchmark of Pioneer Funds – Multi-Asset Conservative?

The new composite benchmark consists of 80% BarCap Global Aggregate Bond Index, a global bond index consisting of both corporate and government issuers with a wide range of maturities, and 20% MSCI World, one of the most recognised and standard benchmark for global equities. Again, the new benchmark better reflects the investment universe and portfolio composition of the Sub-Fund.

Current Benchmark	New Benchmark
60% JPM EMU Bd 1-3, 30% JPM Global Bond, 10% MSCI Europe	80% BarCap Global Aggregate Bond Index, 20% MSCI World

What is the rationale for the increased management fee for Pioneer Funds – Multi-Asset Conservative?

While the expected risk/return profile, the investment objective and investment process of the Sub-Fund remain unchanged, we are widening the investment universe to global. We are therefore aligning the management fee to the prevalent pricing pattern in this category.

Current Management Fee	New Management Fee
Class A 1.00%	Class A 1.25%
Class B 1.00%	Class B 1.25%
Class C 1.00%	Class C 1.25%
Class D 1.00%	Class D 1.25%
Class E 1.00%	Class E 1.25%
Class F 1.80%	Class F 1.85%
Class H 0.60%	Class H 0.65%
Class I 0.50%	Class I 0.55%
Class J Max. 0.50%	Class J Max. 0.55%
Class N 0.65%	Class N 0.70%

Please note that the all of the above changes will also apply to the relevant Sub-Funds of the Pioneer SICAV umbrella, a feeder UCITS umbrella fund allocating 100% of its assets in the Pioneer Funds umbrella.

Important Information

The information contained herein is from Pioneer Investments as at 07 May 2014 except where otherwise stated.

Pioneer Funds (the "Fund") is a fonds commun de placement with several separate sub-funds established under the laws of the Grand Duchy of Luxembourg. Pioneer Asset Management S.A. has been appointed as the management company of the Fund. Ratings given are as rated by Moody's Investor Service, the Standard & Poor's or Fitch's as applicable.

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