

# 5 Reasons to Invest in Pioneer Funds – European Equity Target Income

## 5 Reasons

1. Explicit Income Target
2. Participation in Equity Markets
3. Lower Volatility
4. Lower Drawdowns
5. Regular Distributions

Pioneer Funds- European Equity Target Income (the “Portfolio”) is an innovative equity product, which seeks to provide a high level of income with some market participation by combining the capabilities of the European equity team with the expertise of the in-house Derivatives team. The Portfolio Management team aims to build a portfolio of high quality, high-yielding equities, which we believe will deliver a sustainable yield. In seeking to enhance this income stream, a technique known as covered call- overwriting is used. This involves writing call options on certain stocks in the Portfolio, potentially increasing the income in the Portfolio through the premiums received from these options.

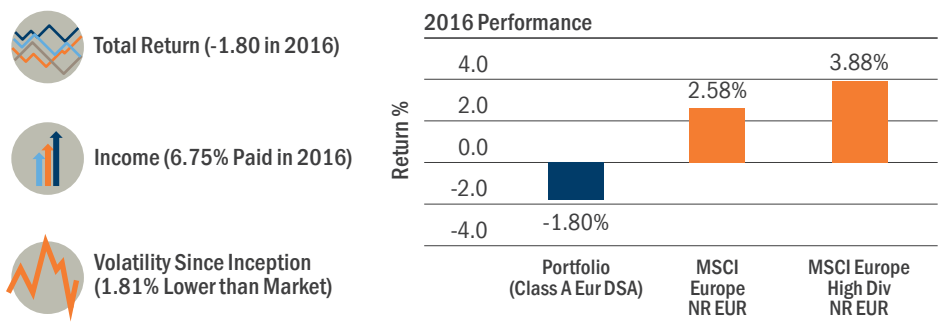
In 2016, we met our income target\* of 6.75% and we generated -1.80% return. The following 5 reasons seek to showcase this product and highlight why it may be an attractive solution in the current environment.

*At the beginning of each year, we set the target income for Pioneer Funds – European Equity Target Income. 2017 Target is 6.75%\**

## 1 Explicit Income Target

At the beginning of each year, we set the target yield for Pioneer Funds – European Equity Target Income in order to give investors some clarity regarding our expectations. The way in which we seek to generate this income, we believe is a key differentiating feature of this Portfolio when compared to more traditional high dividend products. Our investment approach allows us to construct a portfolio that utilises two income streams. Firstly, we leverage on our proven fundamental bottom-up research capabilities to invest in a basket of high-yielding equities, which we believe, not only offer attractive dividends, but also offer upside potential.\*\* In addition, we adopt a flexible covered call-writing process, whereby we carefully chose stocks to write options on, generating additional income for our investors. As an illustration of this process, the chart below shows the results for 2016:

### Pioneer Funds - European Equity Target Income vs. Indices



Source: Amundi Asset Management at 30 December 2016. Data refers to Pioneer Funds – European Equity Target Income A class Semi-Annually Dis Eur Returns calculated net of fees in Euro with dividends reinvested. Volatility of the Fund (10.02%) calculated against the MSCI Europe (11.83%) referring to Class A Semi-Annually distributing from the period 1/12/2011 to 30/12/2016. The comparison to the MSCI Europe and the MSCI Europe High Dividend are provided for illustrative purposes only. They are not the benchmarks of the Portfolio. Please see MSCI disclosure in the Additional Notes.

Past performance does not guarantee and is not indicative of future results. Up-to-date performance information is available on the monthly factsheet.

\*Income targets may be exceeded or undershot and are not an assurance or guarantee  
\*\*Dividends are not guaranteed

*Our fundamental approach to the option writing strategy allows us greater exposure to equity market participation*

*The income focus of the Portfolio and the option writing strategy can help reduce the volatility of our product*

## 2 Participation in Equity Markets

Unlike other high-yielding strategies, we aim to generate income from two sources, which should allow us to have more balanced portfolios than other high-yielding strategies, who can be dependent on just a few sectors in the market. In addition, the true value of our approach is in the stock selection. The Portfolio Manager works closely with the team of analysts to identify companies that we believe offer, not only a sustainable dividend, but also have the potential for upside from a valuation perspective. As a result, the Portfolio may be more balanced in terms of sector and country weightings than traditional dividend portfolios, allowing investors broader equity market participation. In addition, our fundamental approach to the option writing strategy allows us greater exposure to equity market participation than many of our key peers.

In addition, we carefully select stocks to write options on seeking to increase the income of the Portfolio, while trying to reduce the chances of the option being exercised, thereby helping reduce any negative impact of the option overlay on the potential for market participation.

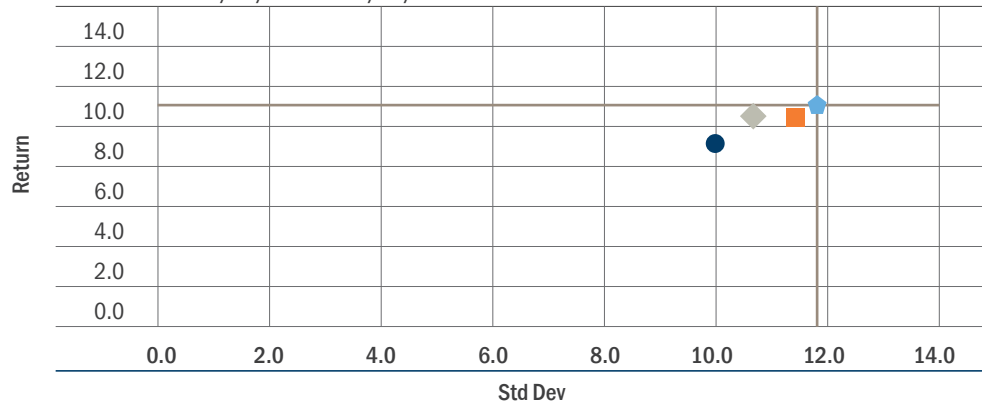
## 3 Lower Volatility

The income focus of the Portfolio and the option writing strategy can help reduce the volatility of the Portfolio. This in turn may improve the risk/return profile of our Portfolio in a variety of market conditions. In a flat or bear market, the upfront premiums received tend to allow for outperformance relative to the broad equity market. In a strongly rising market, the potential for capital appreciation may be capped. However, even during a bull market, our option writing strategy may improve the risk/return profile of the Portfolio – provided we are adequately compensated for the magnitude and frequency of the market rallies. Since inception of the Portfolio (01/12/2011) the volatility of this product has been 10.02% versus the broader market 11.83%\*\*.

\*\*Past performance is no guarantee of future results.

### Risk-Reward

Time Period: 01/12/2011 to 31/12/2016



- Pioneer Funds – European Equity Target Income A EUR DSA
- MSCI Europe High Div Yld NR EUR
- ◆ MSCI Europe NR EUR
- ◆ EAA Fund Europe Equity Income

Currency: Euro

Source Data: Monthly Return

Source: Morningstar Direct as at 30 December 2016. Copyright © 2016 Morningstar UK Limited. All Rights Reserved. The information contained herein: (1) may not be copied or distributed; and (2) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Data refers to Pioneer Funds – European Equity Target Income A class Semi-Annually Dis Eur Returns calculated net of fees in Euro with dividends reinvested. Volatility calculated against the MSCI Europe referring to Class A Semi-Annually distributing from the period 01/12/2011 to 30/12/2016. The comparison to the MSCI Europe and the MSCI Europe High Dividend are provided for illustrative purposes only they are not the benchmarks of the Portfolio. Please see MSCI disclosure in the Additional Notes.

Past performance is no guarantee of future results.

## 4 Lower Drawdowns

### Lower drawdowns

During periods of increased market volatility, the higher quality of the stocks held in the Portfolio, the focus on income generation and additional income generated from the option writing strategy has tended to increase the resilience of the Portfolio during falling markets and has led to lower drawdowns. This particular feature has made the product attractive to investors seeking some equity market participation, but has demonstrated lower downside capture.\*

## 5 Regular Distributions

### Semi-Annual distributions

Pioneer Funds – European Equity Target Income sets the target income level at the beginning of each year and offers investors a semi-annual distributing class (January and July). Target Income has been set for 6.75% in 2017.\*\*

\*Past performance is no guarantee of future results.

\*\*Income targets may be exceeded or undershot and are not an assurance or guarantee.

### Additional Notes:

Source: 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.msccibarra.com).

The term Distribution refers to the income paid in any particular year. Treatment for tax purposes may vary depending on the jurisdiction. Please consult your tax adviser in order to understand any applicable tax consequences. Income target and distribution is gross of fees.

### Important Information

Unless otherwise stated all information contained in this document is from Amundi Asset Management and is as at 30 December 2016.

Pioneer Funds – European Equity Target Income 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.

Past performance does not guarantee and is not indicative of future results. Unless otherwise stated, all views expressed are those of Amundi Asset Management. 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 Amundi Asset Management 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, a member of the Amundi group, 1 George's Quay Plaza, George's Quay, Dublin 2, Ireland. Call +353 1 480 2000 Fax +353 1 449 5000 or your local Amundi Asset Management sales office.

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 Restricted U.S. Investor (as defined in the prospectus of the Fund). 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 content of this document is approved by Pioneer Global Investments Limited, a member of the Amundi group ("PGIL"). In the UK, it is directed at professional clients and not at retail clients and it is approved for distribution by PGIL (London Branch), Portland House, 8th Floor, Bressenden Place, London SW1E 5BH. PGIL is authorised and regulated by the Central Bank of Ireland and subject to limited regulation by the Financial Conduct Authority. Details about the extent of our regulation by the Financial Conduct Authority ("FCA") are available from us on request. 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.

Amundi Pioneer Distributor, Inc., 60 State Street, Boston, MA 02109 ("APD"), a U.S.-registered broker-dealer, provides marketing services in connection with the distribution of products managed by Amundi Asset Management or its affiliates. APD 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.**

Date of First Use: 8 March 2017.