

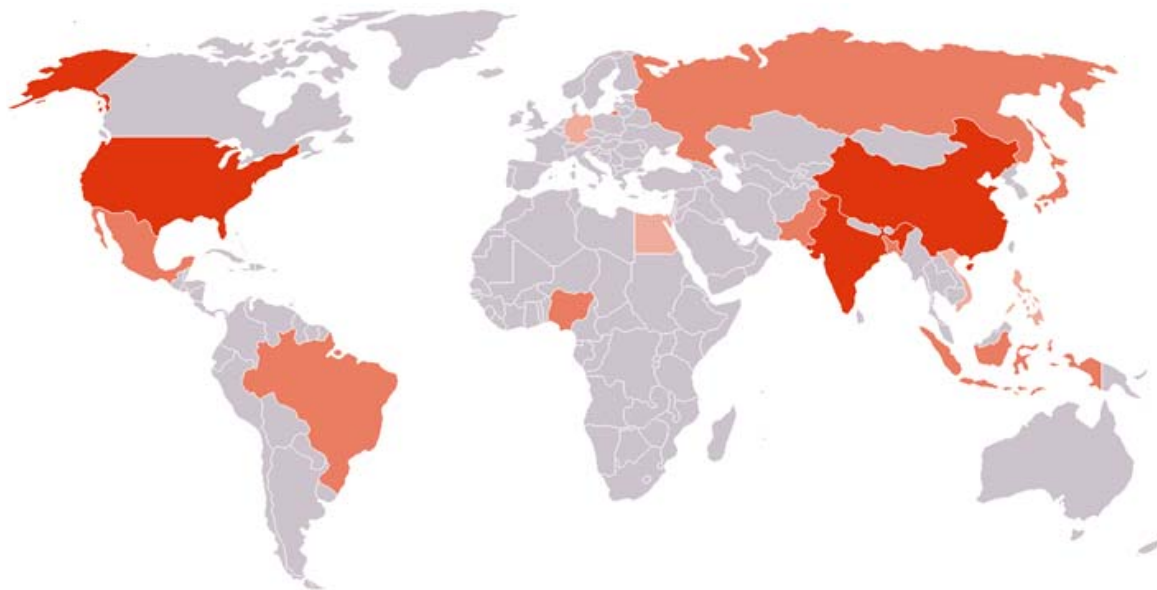
# Commodities Alpha: Active Quantitative Management for Commodity Markets

Peter Königbauer | June 2009



For Broker/Dealer Use Only at the European Capabilities Forum 24-26 June 2009  
and Not to be Distributed to the Public

# World Population – China and India Combine 1/3 of the World Population



Not only the industrialisation and urbanisation but also the enormous number of people are the drivers of the cycle

Just India and China have about 2.5 bn inhabitants, and there are more states on their way towards urbanisation and industrialisation

Development seen in China seems to be irreversible

**The consequence:  
SUPER - CYCLE**

## RED

China: 1.289 Million (about 21 % of world population)

India: 1.069 Million (about 17 %)

USA: 292 Million (about 5 %)

## ORANGE

Indonesia: 220 Million

Russia: 146 Million

Brazil: 176 Million

Nigeria: 134 Million

Pakistan: 149 Million

Japan: 128 Million

Bangladesh: 147 Million

Mexico: 105 Million

## GREY

Germany: 83 Million

Philippines: 82 Million

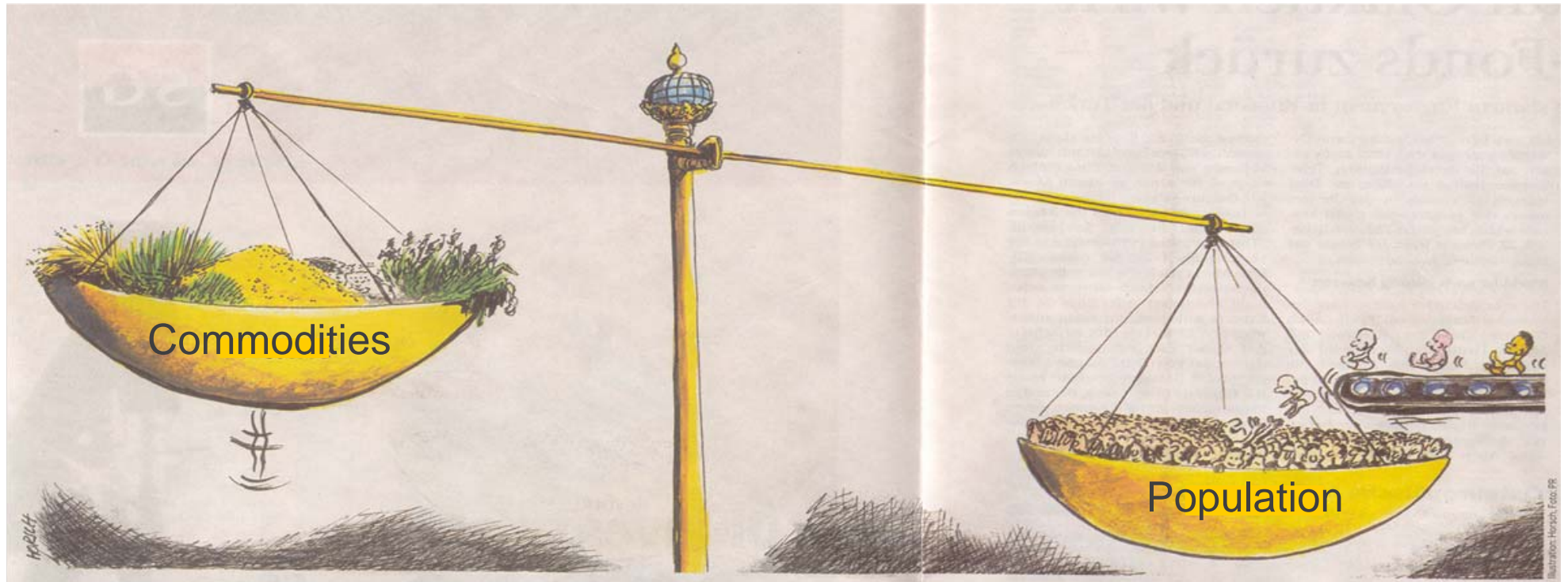
Vietnam: 81 Million

Egypt: 72 Million

Source of Population figures: Wikipedia.de as at 12/2007.

# Commodities Profit from Population growth

Until 2050 a growth to 9 billion people is expected (UN study)



Source: Handelsblatt 2./3./4.12.2005

# Quality of Infrastructure Substantial for Economic Development

Merchandise in the most important sea harbour of China (10,000 tons)



Within the next five years: 19,800 km track system – 380,000 km road/bridges – investments of RMB 1,6 bn\* in the infrastructure of harbours

Source: Budget of the Central Government and Chinese Statistical Bureau. \* equals about. 146 Mio. Euro

# Better Alimentation for Everyone!

## The Limits of the Ecosystem

- Higher income in India and China
- More meat, milk, eggs, fruit, vegetables
- Explosion of the demand for grain
  - Beef: 1 to 10 kg
  - Fowl: 1 to 3 kg
  - Fish: 1 to 2 kg
- Sea fish: capacity limit
- Aqua farms: feeding necessary
- Soybeans as a source of protein

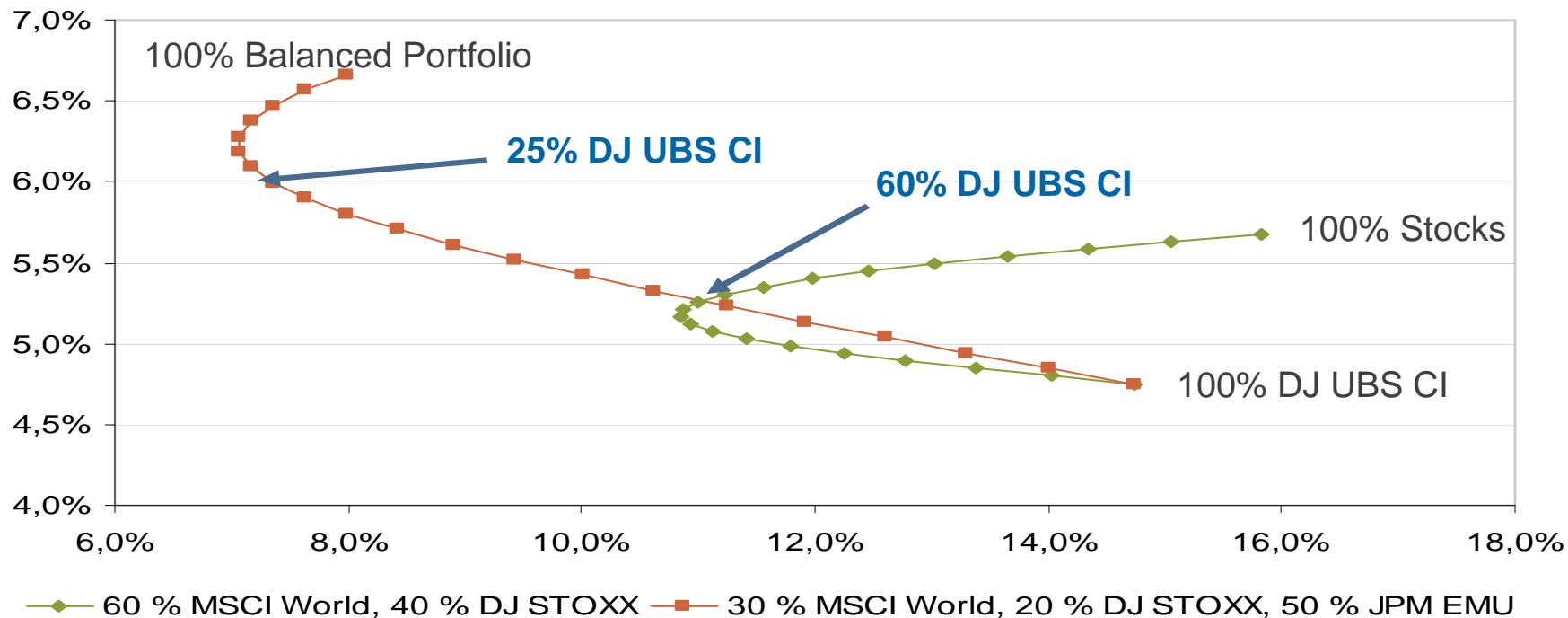
### Per capita consumption in kg, source: Consumer Asia

	China	Taiwan	Hong Kong
Beef	15	81	91
Fowl	2	*	29
Fish	4	59	57
Rice	154	85	60
Fruit	12	92	92
Milk	6	39	52
Vegetables	19	70	78
Fruit juice	0	19	3

Source: Corporate& Markets; Commodity Research, Jochen Hitzfeld. Data as at 12/2007.

# Addition of Commodities to Traditional Portfolios Indicates Significant Risk Reduction

Efficient frontier mixed benchmarks / DJ-UBS -fully hedged-  
time period 12/1991 - 05/2009



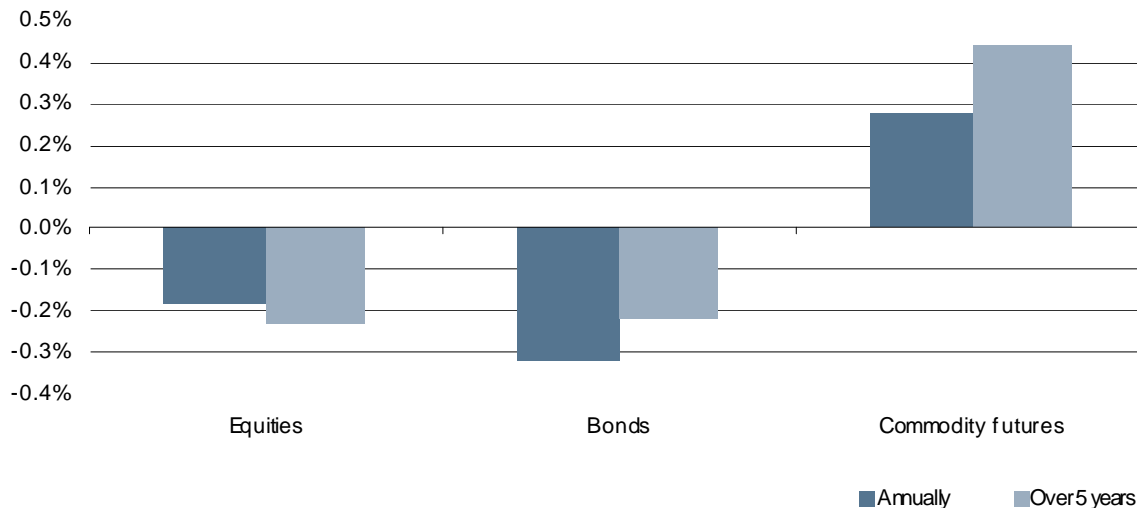
Source: Pioneer Investments and Bloomberg. Update May 2009.

# Commodities Offer a Certain Degree of Inflation Protection

## Strong Performance in an Environment Characterised by Rising Prices

- Commodities show a positive correlation with inflation (the two variables move in sync)
- The reason: commodity prices tend to rise in times when the general price level goes up

Correlation with inflation (in USD)



### High inflation (1970 to 1980)

Asset class	Nominal	Real
Equities	-2.3%	-6.6%
Government bonds	6.8%	1.8%
Cash	7.0%	1.9%
Commodities	13.9%	8.9%

### Low inflation (1980 to 2004)

Asset class	Nominal	Real
Equities	9.0%	6.7%
Government bonds	7.2%	4.9%
Cash	5.3%	3.0%
Commodities	7.0%	4.7%

Source: Thomson Datastream, LBBW. Tables in EUR terms.

# Pioneer Funds – Commodity Alpha

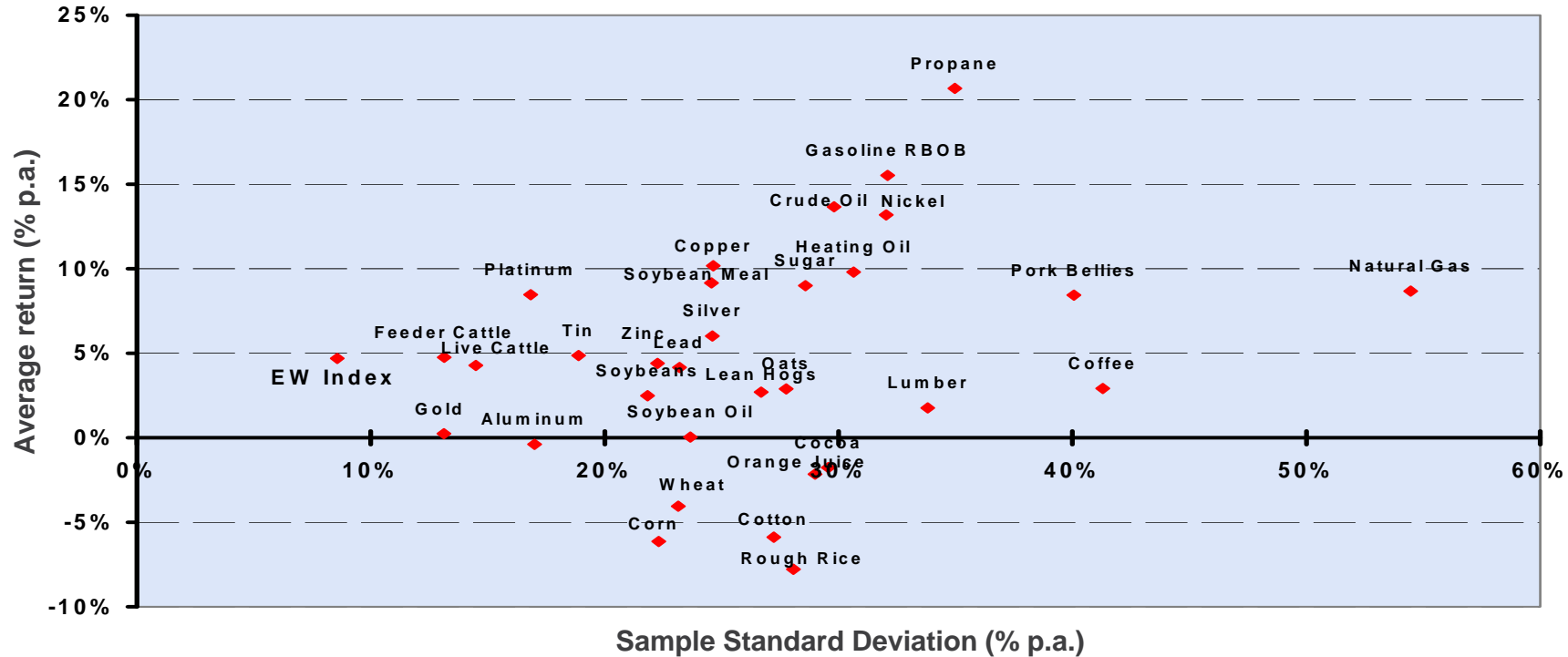
## Portfolio Overview

- **Active quant managed** commodity fund
- **Four sources** of alpha enhanced performance potential
  - Source 1: Developments in inventories identifies attractive opportunities
  - Source 2: Long / Short positions exploit investment philosophy efficiently
  - Source 3: Investment in small commodities increases the opportunity for alpha
  - Source 4: Active allocation between the different strategies optimises performance potential
- **Broad** investment universe (including 31 commodities)
- **Aims to outperform** the Dow Jones-UBS Commodity Total Return Index (DJ-UBS)



# Risk and Return of Commodity Futures

Annualised Futures Risk Premiums and Standard Deviation by Commodity 1990/12 - 2006/12

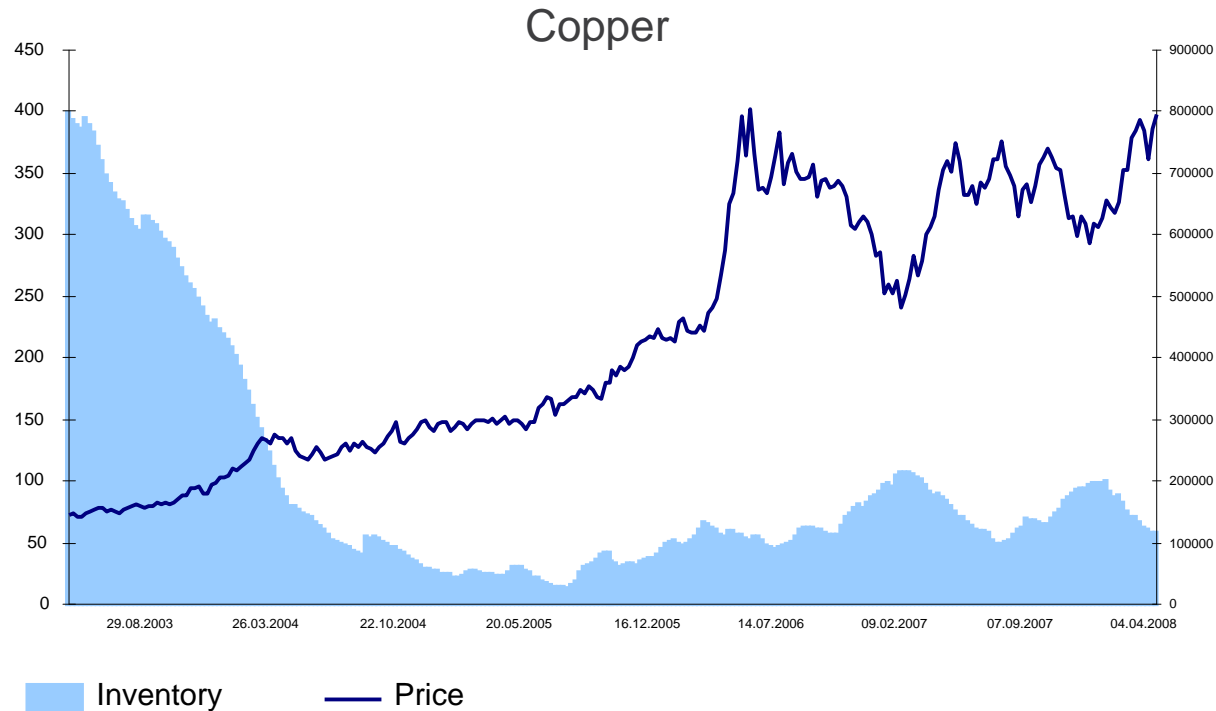


Based on "Facts and Fantasies about Commodity Futures" by Gary Gorton, The Wharton School, University of Pennsylvania and Geert Rouwenhorst, School of Management, Yale University. See: <http://ssrn.com/abstract=560042>. Returns in US dollars.

# Inventory Dynamics Predict Higher Expected Returns

## Investment Philosophy

- Inventory theory predicts higher expected returns by selecting commodities based on the dynamics of inventories



- Buffer function of inventories to absorb shocks is diminished when inventories are low
- As inventories can only be restored through the sometimes long process of new production, an increase of the risk premium persists for a period of time
- Prices rise

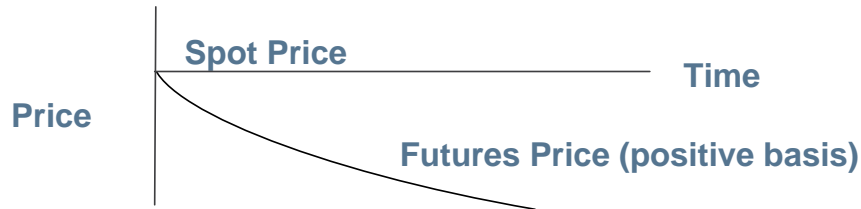
Adapted from: Gorton, G.B., Hayashi, F., Rouwenhorst, K.G. (2007) "The Fundamentals of Commodity Futures Returns". Yale ICF Working Paper No. 0708, June 27, 2007.

# Inventory Dynamics Predict Higher Expected Returns

## Investment Philosophy

- An increase in spot prices signals the scarcity of the commodity in the spot market
- Backwardation signals expectations that inventories will be restored over time and spot prices will return to “normal” levels

### Backwardation

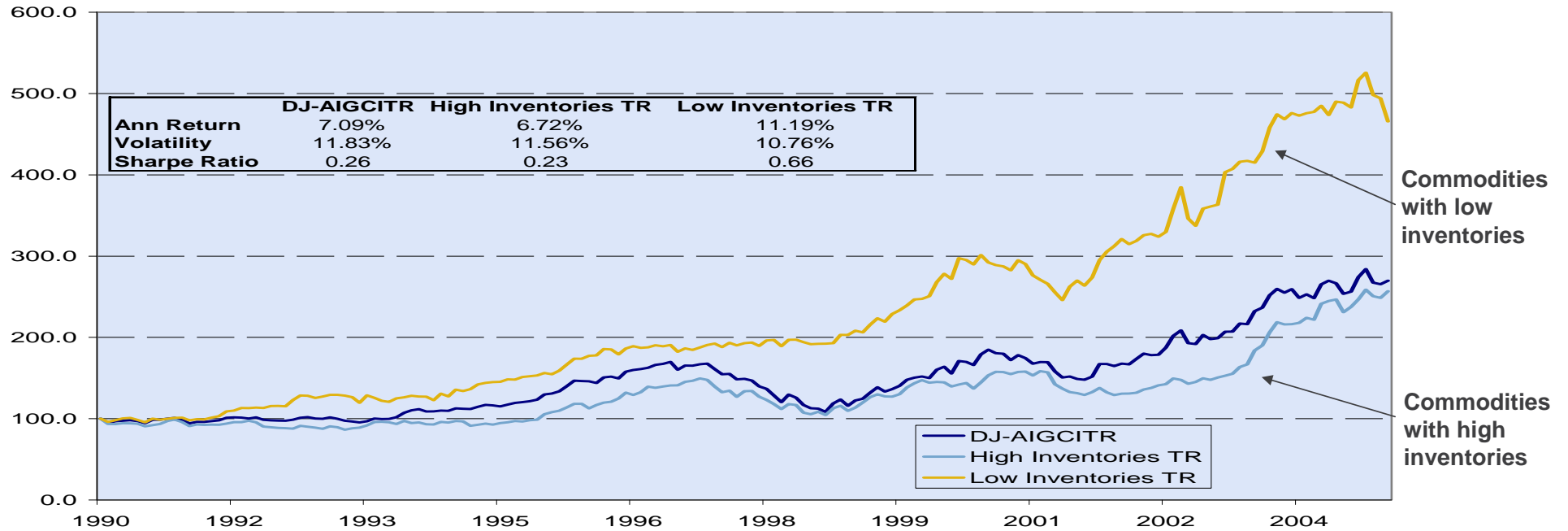


- High spot prices and a widening of the futures basis are indicators of the relative scarcity of a commodity.
  - Inventory theory predicts that these signals are positively correlated with expected commodity future returns

Adapted from: Gorton, G.B., Hayashi, F., Rouwenhorst, K.G. (2007) "The Fundamentals of Commodity Futures Returns". Yale ICF Working Paper No. 0708, June 27, 2007.

# Successful Selection Using Inventory Data

## Commodity selection using inventory data\*



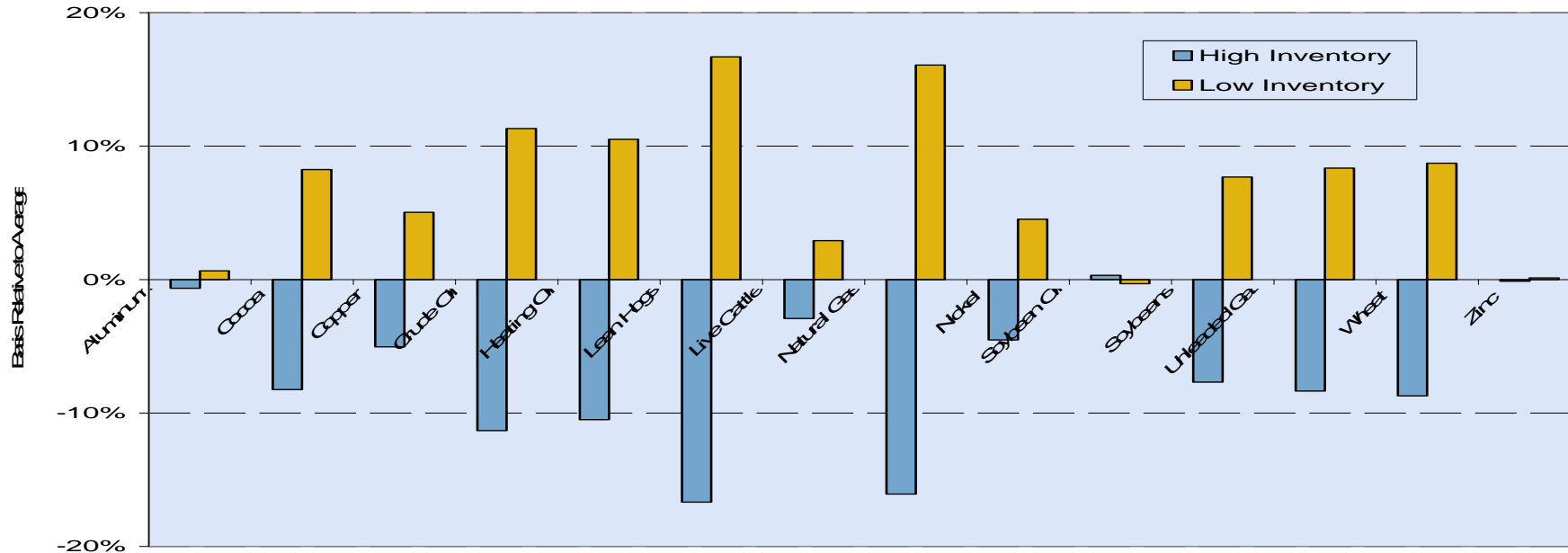
Source: Gorton, Gary B., Fumio Hayashi, and K. Geert Rouwenhorst (2006)

\*A normal inventory level for each commodity is calculated using a Hodrick-Prescott filter on historical inventory data. The Hodrick-Prescott filter is an algorithm, used widely in economics, for extracting a smooth, but possibly non-linear, trend from an economic time series. High inventory is defined as when inventories are above normal, while low inventory is defined as the opposite case. High inventory commodities are selected on a monthly basis and included in the High Inventory index, while low inventory commodities are included in the Low Inventory index. Inventories reflect any revisions which may have been released after initial publication. Source: Inventory data compiled by UBS-FP based on public and private sources.

# Futures Basis Reflects The State of Inventories

## The Basis is High when Inventories are Low

Average futures basis relative to normalised inventories\*



Source: Gorton, Gary B., Fumio Hayashi, and K. Geert Rouwenhorst (2006)

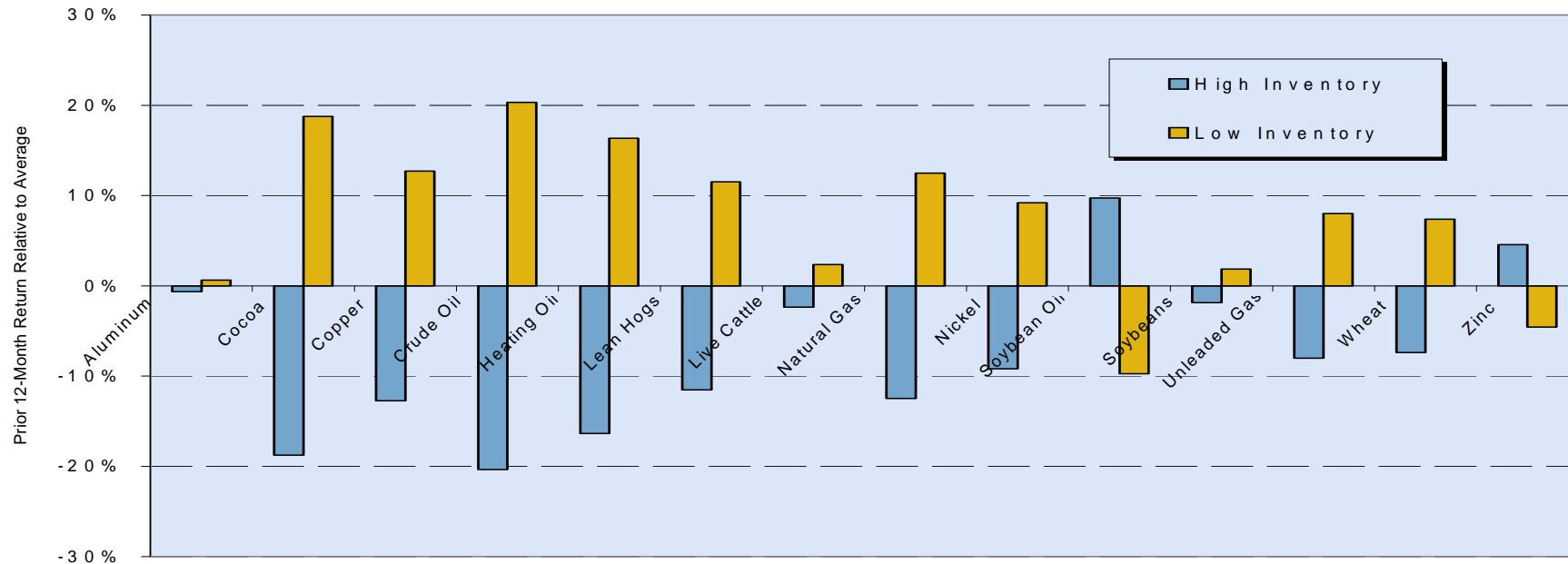
Inventory levels calculated according to methodology described on previous page. Basis calculated for each commodity as  $(F1/F2 - 1) * 365 / (D2 - D1)$ , where F1 is the nearest futures contract and F2 is the next nearest futures contract, and D1 and D2 are the number of days until expiration of the respective contracts. Basis Relative to Average for each commodity is calculated for periods of high inventories for such commodity as well as for periods of low inventories. For each set of periods, Basis Relative to Average is defined as the average basis during the respective set of periods (high or low, as the case may be) relative to the average basis for all periods.

Source: Basis data compiled by UBS-FP using public sources.

# “Nearest Futures” Price Performance Reflect the State of Inventories

## Returns are High when Inventories are Low

Returns relative to normalized inventories\*



Source: Gorton, Gary B., Fumio Hayashi, and K. Geert Rouwenhorst (2006)  
 \* Inventory levels calculated according to methodology described on page 5. Returns calculated for each commodity using the cumulative return on the relevant DJ-UBSCI single commodity index for the immediately preceding 12 months. Return Relative to Average for each commodity is calculated for periods of high inventories for such commodity as well as for periods of low inventories. For each set of periods, Return Relative to Average is defined as the average returns during the respective set of periods (high or low, as the case may be) relative to the average return for all periods. Source: Return data compiled by UBS-FP using public sources.

# Pioneer Funds – Commodity Alpha

## Active Weighting of up to Five Different Strategies

Four strategies, taking their bearings from the Dow Jones-UBS Commodity Index

### Strategy 1 – Long

- Investment in the nine commodities with the highest return over the previous twelve months

### Strategy 2 – Long

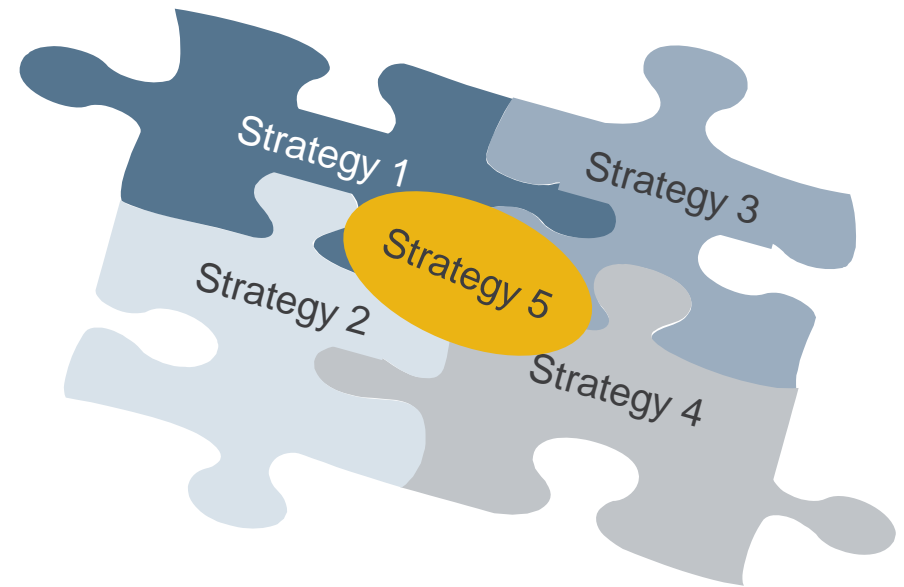
- Investment in the eight commodities with the highest futures basis

### Strategy 3 – Long/Short

- Long positions in line with Strategy 1. Additional short positions in nine commodities with the lowest return over the previous twelve months

### Strategy 4 – Long/Short

- Long positions in line with Strategy 2. Additional short positions in eight commodities with the lowest futures basis



### Strategy 5 – Small Commodities (index-independent)

- Identification of up to twelve "smaller commodities" on the basis of liquidity and production volume

## Smaller Commodities Strategy

### Alpha Opportunity 3: Source of Return Outside of the Traditional Universe

- Long only strategy
- 12 commodities outside of the DJ-UBS index universe:
- Sector weights: energy 30%, metal 16% and agriculture 54%
- Using 2006 liquidity levels (open interest and volume) to determine weighting
- Single commodity weight capped at max.15%, min. 2%
- Annual review and rebalancing

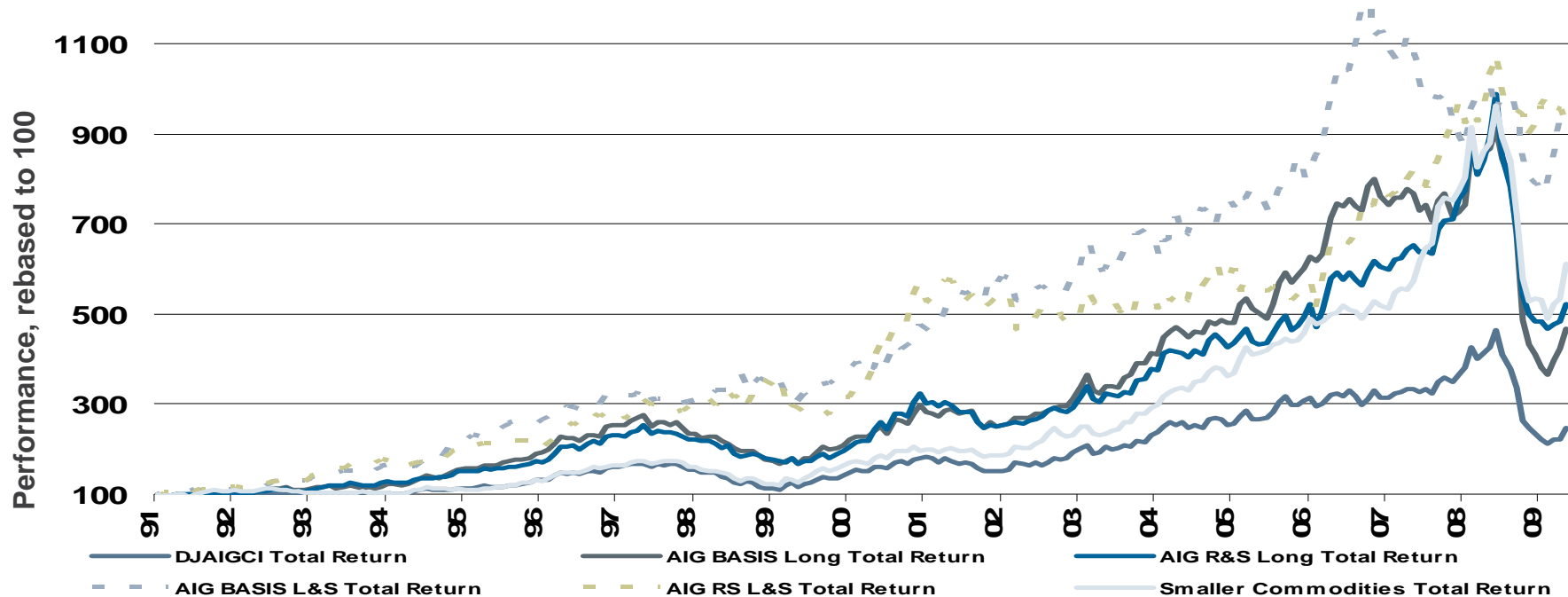
<b>Commodity</b>	<b>Weighting</b>
Crude oil brent	15%
Gas oil	15%
Soya bean meal	15%
HRW wheat	15%
HRS wheat	2%
Lead	10%

<b>Commodity</b>	<b>Weighting</b>
Tin	2%
Platinum	2%
Palladium	2%
Feeder cattle	10%
Cocoa	10%
Orange juice	2%

# Strong Historical Performance Across All Strategies

## Back-Test of the Applied Strategies vs. DJ-UBS Commodity Index

- **Long Only and Small Commodities** strategies outperform over time, but generally follow market trend
- **Long / Short strategies** offer alpha enhancement and some downside protection in weak commodity markets



Source: Pioneer Investments, Bloomberg as at 29.05.2009

# Portfolio Construction

- Strategies expressed as indices
- Guideline position limits:
  - No strategy has a weight of more than 50%
  - Long / Short strategies limited to a combined weight of 30%
  - Each index holds no more than 20% in a single commodity
- Strategies implemented using index swaps
- All models reviewed semi-annually
  - Adjustment only if structural change or significant deviation from expected returns

## Guideline position limits

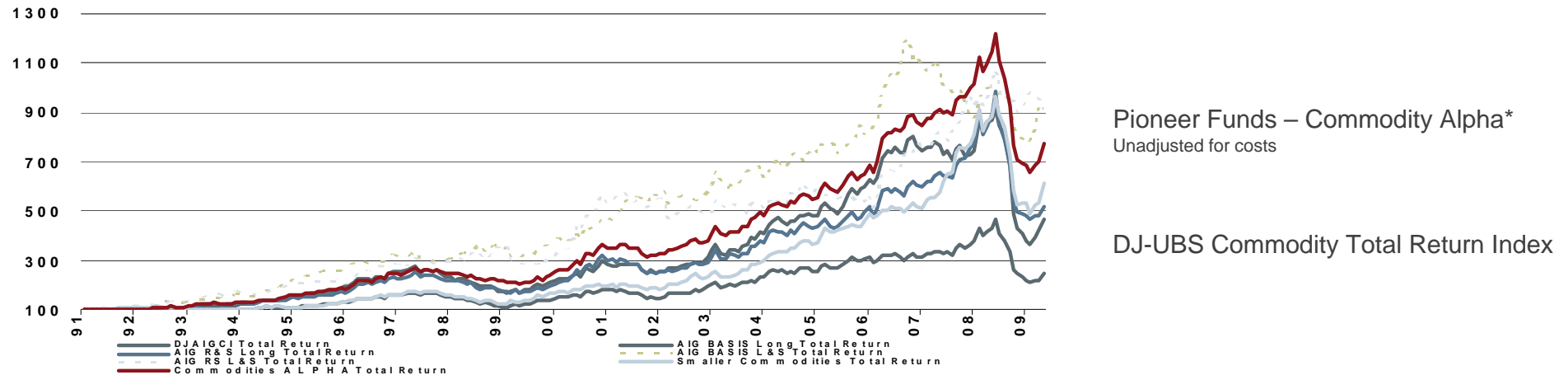
Basis long	0-50%
Basis long/short	0-20%
R&S long	0-50%
R&S long/short	0-20%
Small commodities	5-15%

# Active Allocation Between Different Strategies

## Alpha Opportunity 4: Optimise Allocation Based on Market Phase

- Identification of different market phases using 15 years of historical data
- Optimisation across the scenarios based on best risk/return profile
- Evaluation of current scenario done on monthly basis

Active allocation creates value  
Back-test of the applied strategies



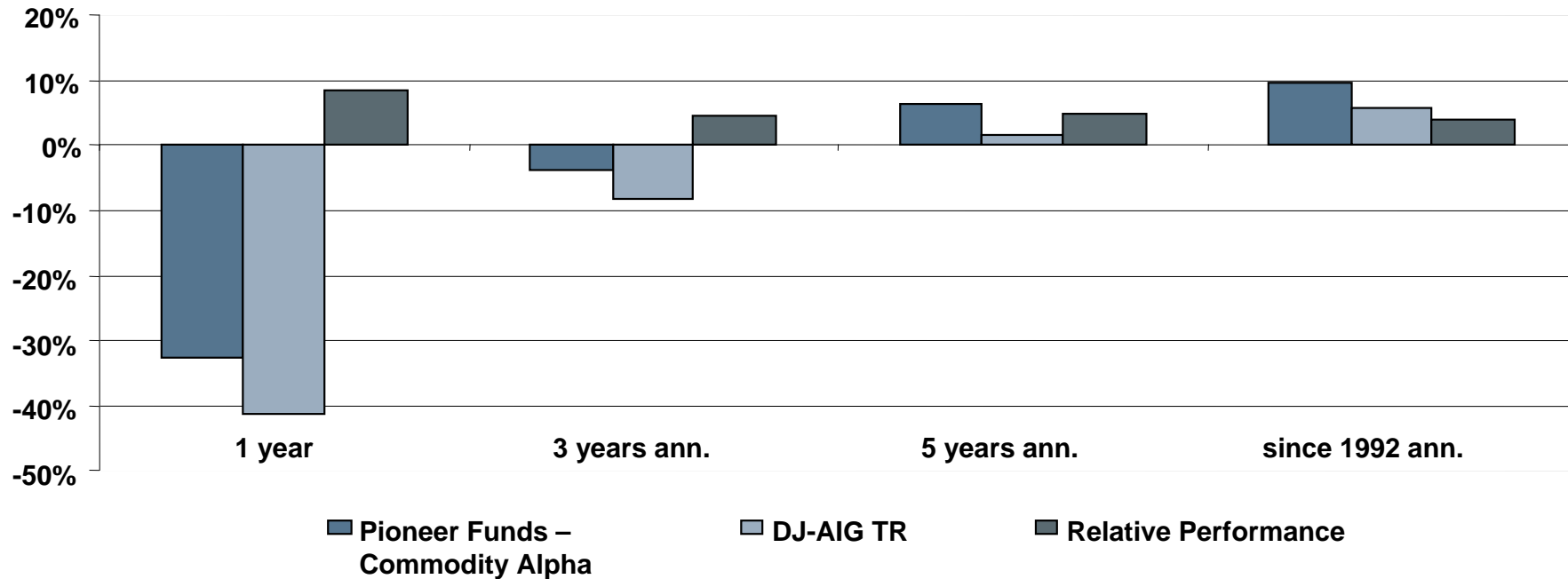
\*Backtesting from 12/1991 to 02/2008. Performance of Pioneer Funds – Commodity Alpha, Class A EUR nd from 03/2008 to 05/2009. Source: Pioneer Investments, Bloomberg as at 29.05.2009

# Strong Outperformance Potential

## Portfolio Returns Adjusted for Costs

### Characteristics

Tracking error	8.94%
Volatility	13.61%
Volatility Benchmark	14.93%
Correlation	0.80%

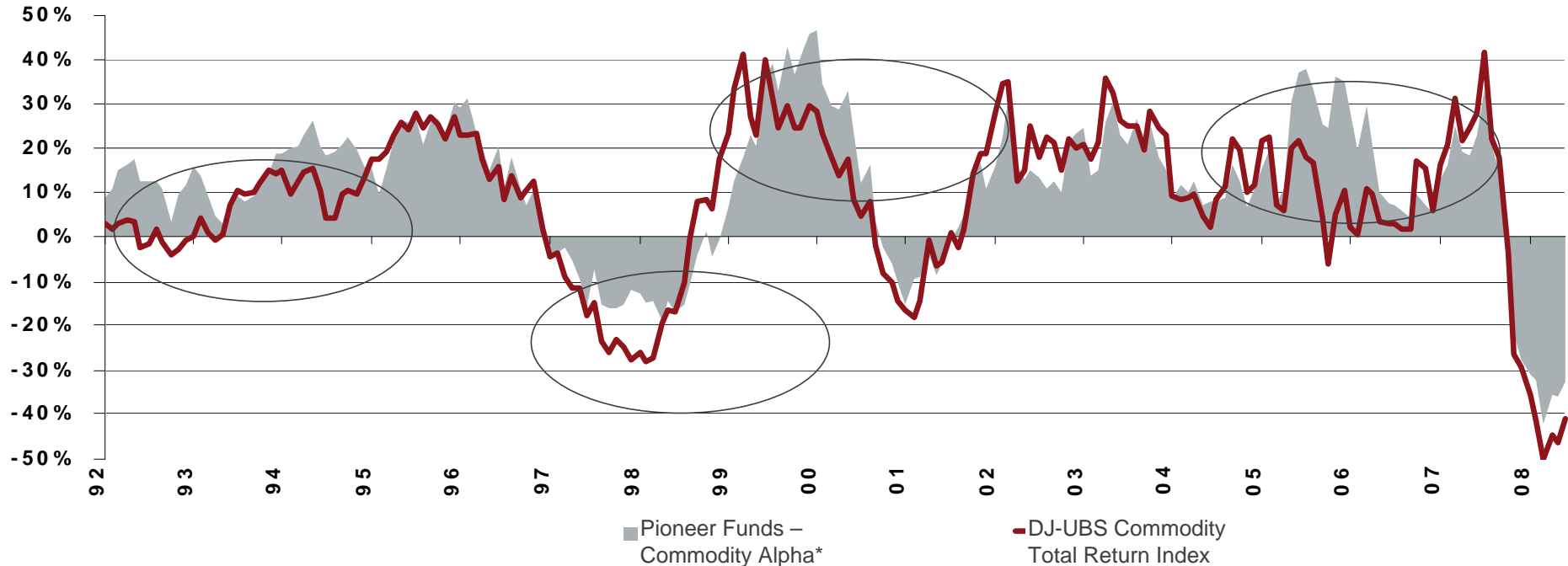


Source: DJ UBS, Pioneer Investments as at 29.05.2009. DJ-UBS Commodity Total Return Index is the reference index  
 \*Backtesting from 12/1992 to 02/2008. Performance of Pioneer Funds – Commodity Alpha, Class A EUR nd from 03/2008 to 05/2009. Returns in US dollar. Back test return figures have been adjusted to take into account trading costs, management fees, slippage (difference between real and prices used in back test). In total back test return figures have been adjusted by 300 basis points.

# Strongest Outperformance in Weak Commodity Markets

## Keeping up in Strong Commodity Markets

Rolling 12 month returns



Source: DJ UBS, Pioneer Investments as at 29.05.2009. Returns in US dollar. DJ-UBS Commodity Total Return Index in the reference index. \*Backtesting from 12/1992 to 02/2008. Performance of Pioneer Funds – Commodity Alpha, Class A EUR nd from 03/2008 to 05/2009. Back test return figures have been adjusted to take into account trading costs, management fees, slippage (difference between real and prices used in back test). In total back test return figures have been adjusted by 300 basis points. Starting March 2008 real figures used from the unit class “A”

## A Low Correlation To Other Investments

### Pioneer Funds – Commodity Alpha vs. DJ-UBS Commodity Total Return Index sub-indices

#### Subindices

DJ AIG Agriculture	0,50
DJ AIG Energy	0,60
DJ AIG EX Energy	0,66
DJ AIG Grains	0,47
DJ AIG Ind Metal	0,58
DJ AIG Livestock	0,14
DJ AIG Petroleum	0,59
DJAIG Precious Metal	0,30
DJ AIG Softs	0,27

#### Single Commodities

Crude oil	0,12
Gasoline	0,10
Heating Oil	0,11
Nat Gas	0,08
Gold	0,01
Silver	0,04
Aluminium	0,11
Copper	0,08
Nickel	0,04
Zinc	0,05
Wheat	0,03
Corn	0,03
Soybean	-0,06
Cotton	0,06
Coffee	0,02
Sugar	0,07
Soybean Oil	0,05
Live Cattle	0,12
Lean Hogs	0,01

#### DifferentIndices

GSCI	0,72
RICI	0,83
CRB	0,76
S&P 500	0,21
Nasdaq	0,16
EuroSTOXX 50	0,15
TOPIX	0,31
MSCI Europe	0,17
JPM USA	-0,05
JPM JPN	-0,03

Source: Bloomberg, Pioneer Investments as at 29.05.2009.

# Boosting Risk-Adjusted Returns of Existing Commodity Exposure

## Summary Performance

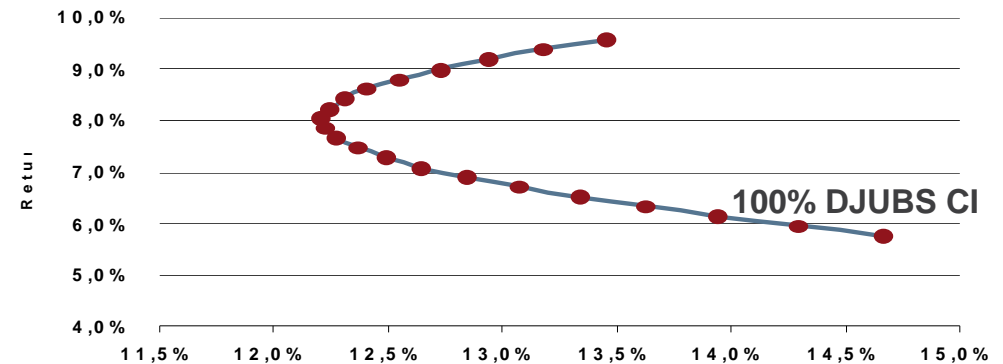
	DJ-UBS Commodity Total Return Index	Pioneer Funds – Commodity Alpha*	Mix 40% / 60%
Return	165,75%	391,41%	290,87%
Return p.a.	5,77%	9,57%	8,05%
Volatility	14,93%	13,61%	12,21%

Combining Pioneer Funds –  
Commodity Alpha with a passive  
commodity strategy offers enhanced  
risk adjusted returns



### Efficiency Frontier

100% Commodity  
Alpha

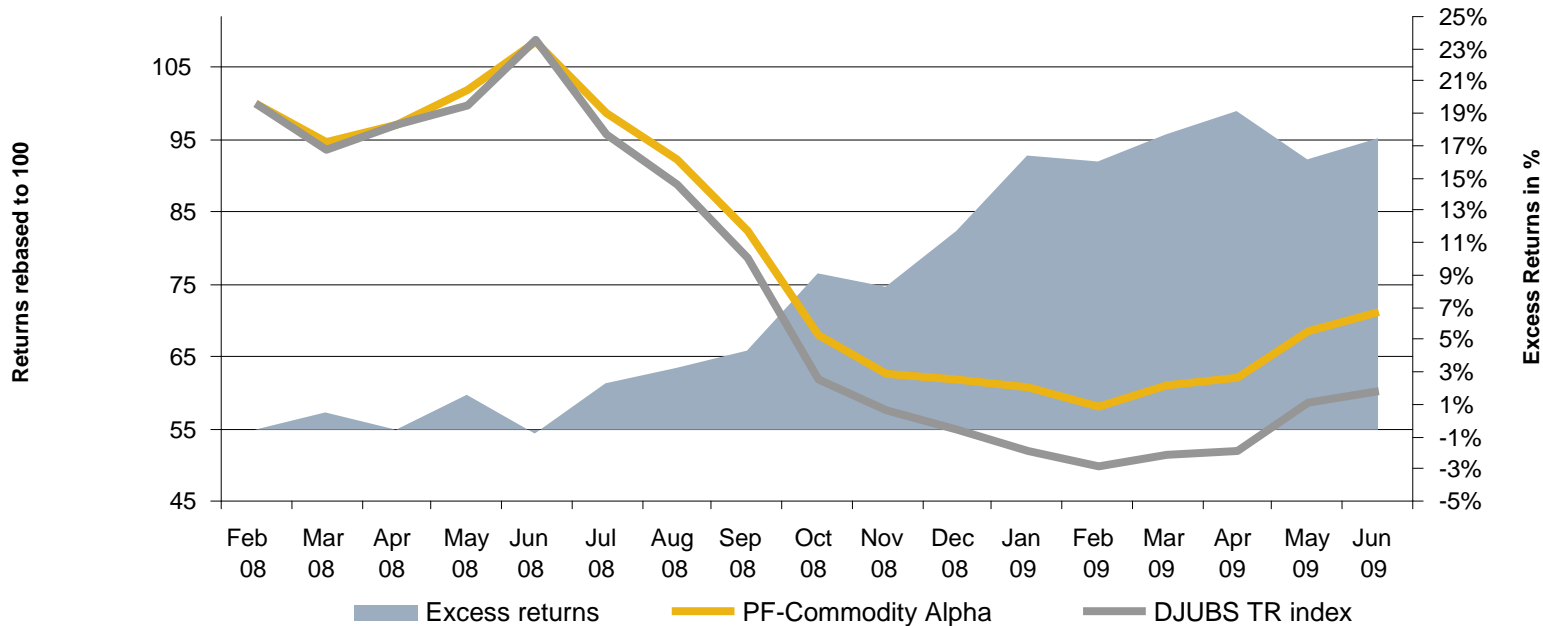


Source: DJ UBS, S&P, Pioneer Investments (from 31.12.92 to 29.05.2009). Returns in US dollar. \*Backtesting from 12/1992 to 02/2008. Performance of Pioneer Funds – Commodity Alpha, Class A EUR nd from 03/2008 to 05/2009. Back test return figures have been adjusted to take into account trading costs, management fees, slippage (difference between real and prices used in back test). In total back test return figures have been adjusted by 300 basis points. Starting March 2008 real figures used from the unit class "A"

# Performance in USD

## Pioneer Funds – Commodity Alpha

### Cumulative monthly returns

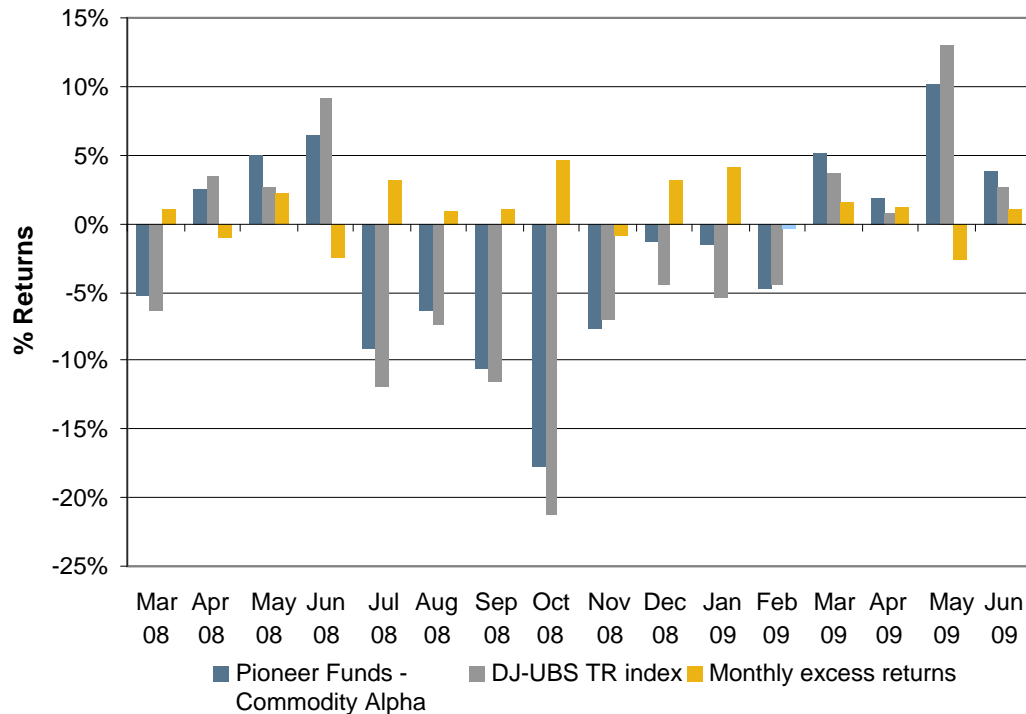


Source: Pioneer Investments, DJUBS, Bloomberg (as at 11.06.09). DJ-UBS Commodity Total Return Index in the reference index. Fund returns are shown for unit class A in USD. Returns shown for the DJUBS, is the DJUBS TR index in USD. Benchmark performance has been adjusted one day backward to match the pricing of the fund. Prior to the launch of the unit class A in USD on 03.04.08, Fund returns shown are based on unit class A in euro converted into USD. This unit class was launched on 22.02.08.

# Performance in USD

## Pioneer Funds – Commodity Alpha

### Monthly Returns



### Performance overview

	Pioneer Funds – Commodity Alpha	DJ-UBS Commodity Total Return Index	
MTD	3.86%	2.70%	1.13%
YTD	10.76%	2.70%	3.86%
Since inception (3/1/2008)	-28.93%	-39.77%	18.01%

Date: 11.06.09

Source: Pioneer Investments, DJ-UBS, Bloomberg (as 11.06.09). DJ-UBS Commodity Total Return Index in the reference index. Fund returns are shown for unit class A in USD. Returns shown for the DJUBS, is the DJUBS TR index in USD. Benchmark performance has been adjusted one day backward to match the pricing of the fund. Prior to the launch of the unit class A in USD on 03.04.08, Fund returns shown are based on unit class A in euro converted into USD. This unit class was launched on 22.02.08.

# Actual Weightings

## Pioneer Funds – Commodity Alpha

weights sub - sector			
	DJUBS	Alpha	Diff
Energy	34,52%	0,77%	-33,74%
Petroleum	27,30%	6,17%	-21,13%
Base metal	22,33%	27,37%	5,04%
precious metal	10,64%	3,11%	-7,53%
Grains	15,98%	16,72%	0,74%
Softs	8,65%	7,39%	-1,26%
Vegetable oil	2,55%	4,65%	2,11%
Live stock	5,33%	7,25%	1,92%
<b>ALPHA</b>	<b>100,00%</b>	<b>67,27%</b>	<b>-32,73%</b>

Commodities with highest overweighting	
SOYBEANS	9,05%
GASOLINE	5,26%
ZINC	4,46%
COFFEE	3,67%
COPPER	3,57%

Commodities with highest underweighting	
CRUDE OIL	-24,02%
NATURAL GAS	-12,61%
CORN	-7,92%
ALUMINIUM	-7,28%
HEATING OIL	-6,48%

Calculation done by Portfoliomanager: 15.06.2009

# Benefiting from Commodity Inventory Dynamics

## Pioneer Funds – Commodity Alpha in Summary

- **Higher expected returns** by selecting commodities based on the dynamics of commodity inventories
- Enhancing returns through **additional sources of value**:
  - Use of Long / Short strategies
  - Investment in smaller commodities
  - Active strategy selection based on historical scenario analysis
- **Improved risk/return profile** versus benchmark
  - Long / Short strategies offer diversification benefits to other strategies and some down side protection in weak commodity markets
- **Low correlation** to traditional investments

# Appendix

# Implementing The Investment Philosophy

## Alpha Opportunity 1: Commodity Basis and Relative Strength strategies

### Long only Basis

- Monthly, rank the commodities in the DJUBSCI excluding Gold and Silver in order of „backwardation“ or basis\*
- Go long the 8 commodities with the highest basis, with the same relative weights as in the DJUBS (subject to constraints)
- Take no position in the remaining commodities

#### Long positions example

Natural gas
Crude Oil
Heating oil
Wheat
Soya beans
Copper
Zinc
Nickel

### Long only Relative Strength

- Monthly, rank the commodities in the DJUBSCI in order of momentum as measured by the previous 12 months' return\*\*
- Go long the 9 commodities with the highest momentum, with the same relative weights as in the DJUBS (subject to constraints)
- Take no position in the remaining commodities

#### Long positions example

Crude oil
Unleaded gasoline
Heating oil
Wheat
Soya beans
Soya bean oil
Copper
Gold
Silver

\*Basis is calculated for each commodity as  $(F1/F2-1)*365/(D2-D1)$ , where F1 is the nearest futures contract. D1 and D2 are the number of days until expiration of the respective contracts

\*\*Momentum is calculated for each commodity using the cumulative return for the immediately preceding 12 months

# Extending The Investment Philosophy's Return Potential

## Alpha Opportunity 2: Long / Short Strategies

### Long / Short Basis

- Monthly, rank the commodities in the DJUBSCI excluding Gold and Silver in order of „backwardation“ or basis\*
- Go long the 8 commodities with the highest basis, with the same relative weights as in the DJUBS (subject to constraints)
- Take a short position in the 8 Commodities with the lowest basis

Long positions example	Short positions example
Natural gas	Unleaded gasoline
Crude Oil	Live cattle
Heating oil	Lean hogs
Wheat	Corn
Soya beans	Soya bean oil
Copper	Sugar
Zinc	Cotton
Nickel	Coffee

### Long / Short Relative Strength

- Monthly, rank the commodities in the DJUBSCI in order of momentum as measured by the previous 12 month return\*\*
- Go long on the 9 commodities with the highest momentum, with the same relative weights as in the DJUBS (subject to constraints)
- Take a short position in the 9 commodities with the lowest momentum

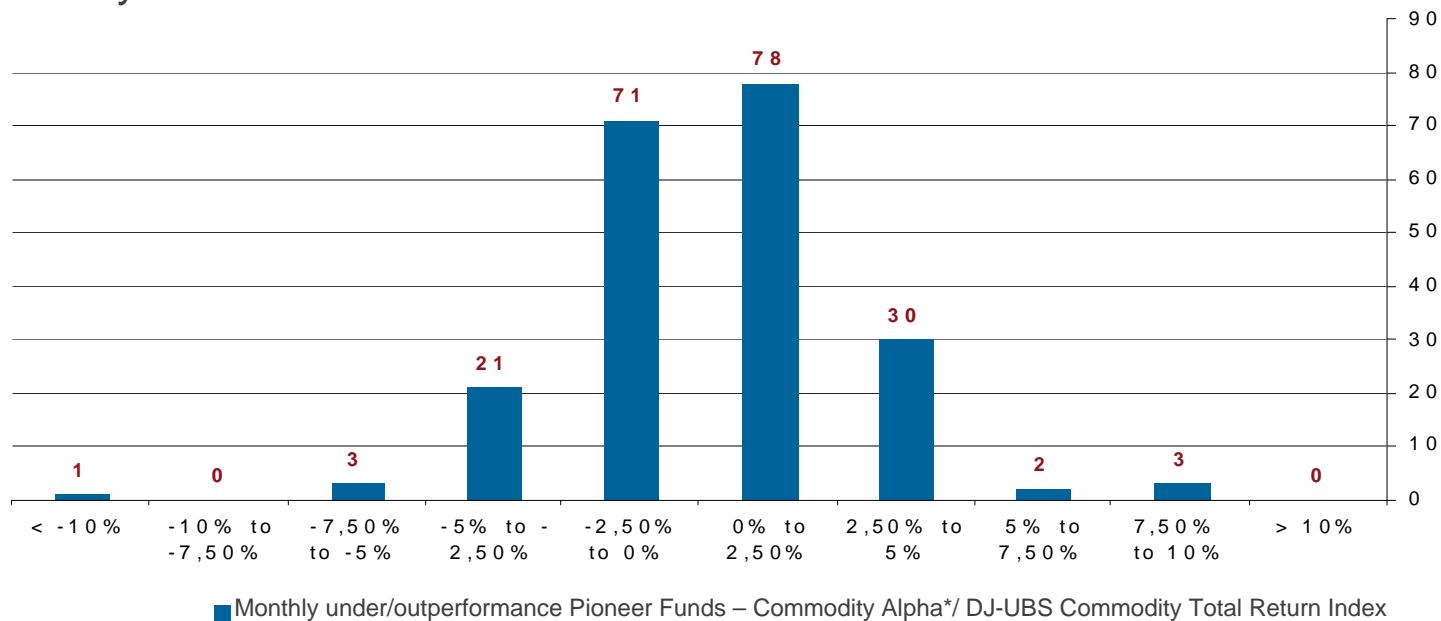
Long positions example	Short positions example
Crude oil	Natural gas
Unleaded gasoline	Live cattle
Heating oil	Lean hogs
Wheat	Aluminium
Soya beans	Zinc
Soya bean oil	Nickel
Copper	Sugar
Gold	Cotton
Silver	Coffee

\*Basis is calculated for each commodity as  $(F1/F2-1)*365/(D2-D1)$ , where F1 is the nearest futures contract. D1 and D2 are the number of days until expiration of the respective contracts

\*\*Momentum is calculated for each commodity using the cumulative return for the immediately preceding 12 months

# Return Distribution for Pioneer Funds – Commodity Alpha

## Monthly relative return distribution

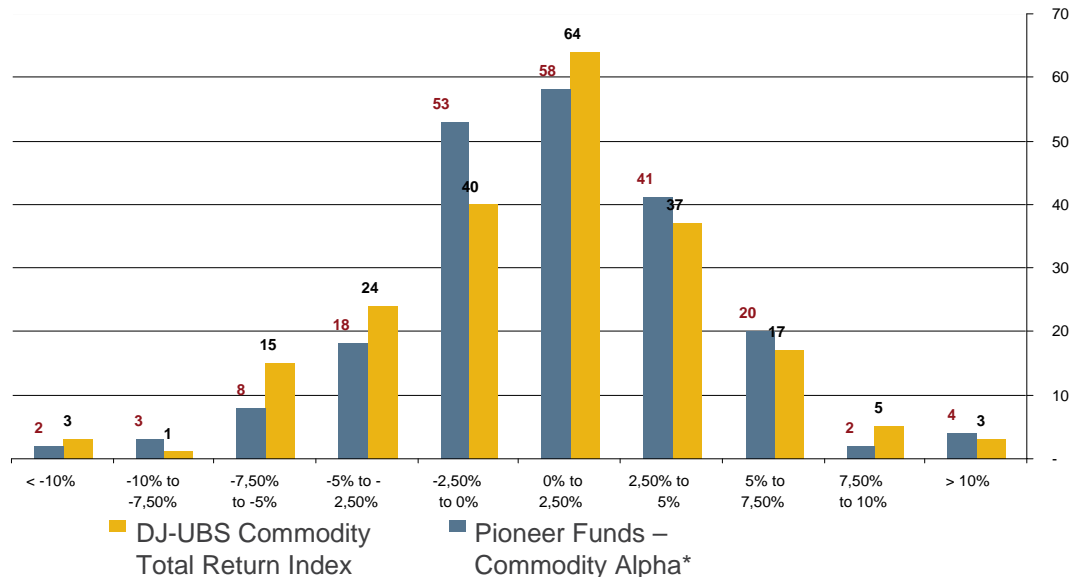


Most of the extreme Relative return distributions occur during the Asian crisis 1998 / 1999

Source: DJ UBS, Pioneer Investments as at 29.05.2009. DJ-UBS Commodity Total Return Index in the reference index. Returns in US dollar. \*Backtesting from 12/1992 to 02/2008. Performance of Pioneer Funds – Commodity Alpha, Class A EUR nd from 03/2008 to 05/2009. Back test return figures have been adjusted to take into account trading costs, management fees, slippage (difference between real and prices used in back test). In total back test return figures have been adjusted by 300 basis points. Starting March 2008 real figures used from the unit class “A”

# Return Distribution for Pioneer Funds – Commodity Alpha

## Monthly return distribution

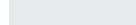



	Commodity Alpha	DJAIG TR (Benchmark)
<b>best month</b>	<b>12,91%</b>	<b>13,00%</b>
<b># positive month</b>	125	126
<b>percentage</b>	<b>59,81%</b>	<b>60,29%</b>
<b>average gain</b>	<b>3,25%</b>	<b>3,19%</b>
<b>worst month</b>	<b>-17,68%</b>	<b>-21,28%</b>
<b># negative month</b>	84	83
<b>percentage</b>	<b>40,19%</b>	<b>39,71%</b>
<b>average loss</b>	<b>-2,74%</b>	<b>-3,43%</b>

Source: DJ UBS, Pioneer Investments as at 29.05.2009. DJ-UBS Commodity Total Return Index in the reference index. Returns in US dollar. \*Backtesting from 12/1992 to 02/2008. Performance of Pioneer Funds – Commodity Alpha, Class A EUR nd from 03/2008 to 05/2009. Back test return figures have been adjusted to take into account trading costs, management fees, slippage (difference between real and prices used in back test). In total back test return figures have been adjusted by 300 basis points. Starting March 2008 real figures used from the unit class "A"

# Monthly Returns Pioneer Funds – Commodity Alpha

Monthly Return													Annualised Return
year	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
2009	-1,50%	-4,74%	5,18%	1,95%	10,09%								10,77%
2008	0,53%	11,11%	-5,31%	2,45%	1,11%	6,45%	-9,07%	-6,39%	-10,63%	-17,68%	-7,70%	-1,40%	-33,53%
2007	-2,19%	3,26%	-0,38%	2,84%	1,11%	-1,80%	0,45%	-1,83%	5,95%	2,07%	-0,28%	3,49%	13,07%
2006	5,01%	-4,40%	6,43%	12,86%	3,54%	-0,99%	1,61%	-0,82%	1,05%	4,72%	1,22%	-3,69%	28,53%
2005	1,19%	6,51%	3,20%	-4,12%	-1,47%	-1,50%	5,11%	5,39%	1,80%	-4,29%	1,99%	1,25%	15,37%
2004	-2,07%	7,96%	0,86%	1,03%	-2,19%	-1,59%	4,28%	-1,28%	5,23%	0,65%	-1,85%	-2,61%	8,08%
2003	6,90%	7,13%	-7,74%	-2,62%	3,78%	0,02%	-0,39%	5,06%	-0,59%	7,37%	0,53%	3,77%	24,45%
2002	1,15%	0,30%	4,34%	-0,40%	1,86%	1,71%	1,87%	3,56%	1,49%	-2,39%	-1,45%	3,04%	15,91%
2001	-5,31%	-0,10%	-0,96%	4,35%	-0,73%	-3,47%	-1,31%	0,48%	-5,93%	-4,99%	3,40%	-1,19%	-15,16%
2000	3,19%	3,85%	-0,51%	1,07%	6,70%	6,75%	-5,00%	12,91%	-0,04%	-1,72%	8,57%	4,42%	46,63%
1999	-2,31%	-0,53%	-4,81%	3,17%	-5,37%	4,19%	-0,54%	5,07%	4,27%	-4,14%	4,64%	3,67%	6,62%
1998	0,23%	-1,24%	0,60%	-2,40%	-2,74%	2,33%	-5,54%	-2,20%	-1,23%	1,60%	0,97%	-3,66%	-12,76%
1997	-0,97%	-2,13%	3,39%	2,03%	4,42%	-6,96%	3,37%	-0,93%	-1,35%	0,63%	-2,90%	-2,74%	-4,63%
1996	-2,47%	3,97%	5,81%	7,12%	-0,68%	1,26%	-2,97%	5,48%	1,97%	-2,13%	7,22%	1,93%	29,03%
1995	2,54%	-0,99%	0,56%	2,95%	-0,43%	0,91%	1,39%	1,68%	1,22%	0,34%	1,35%	3,09%	15,52%
1994	1,34%	-1,44%	-1,39%	0,11%	4,59%	2,68%	0,85%	0,07%	-0,25%	2,83%	4,63%	3,36%	18,56%
1993	2,84%	3,04%	2,61%	2,12%	-0,91%	2,10%	1,92%	-1,10%	-3,64%	1,72%	0,64%	3,58%	15,71%
1992	1,30%	-1,14%	1,55%	1,30%	3,72%	1,60%	1,92%	0,66%	3,17%	-4,11%	-1,06%	-0,03%	8,97%

 Backtesting  
 Unit class "A"

Source: DJ UBS, Pioneer Investments as at 29.05.2009. Returns in US dollar. Backtesting from 12/1991 to 02/2008. Performance of Pioneer Funds – Commodity Alpha, Class A EUR nd from 03/2008 to 05/2009. Back test return figures have been adjusted to take into account trading costs, management fees, slippage (difference between real and prices used in back test). In total back test return figures have been adjusted by 300 basis points. Starting March 2008 real figures used from the unit class "A"

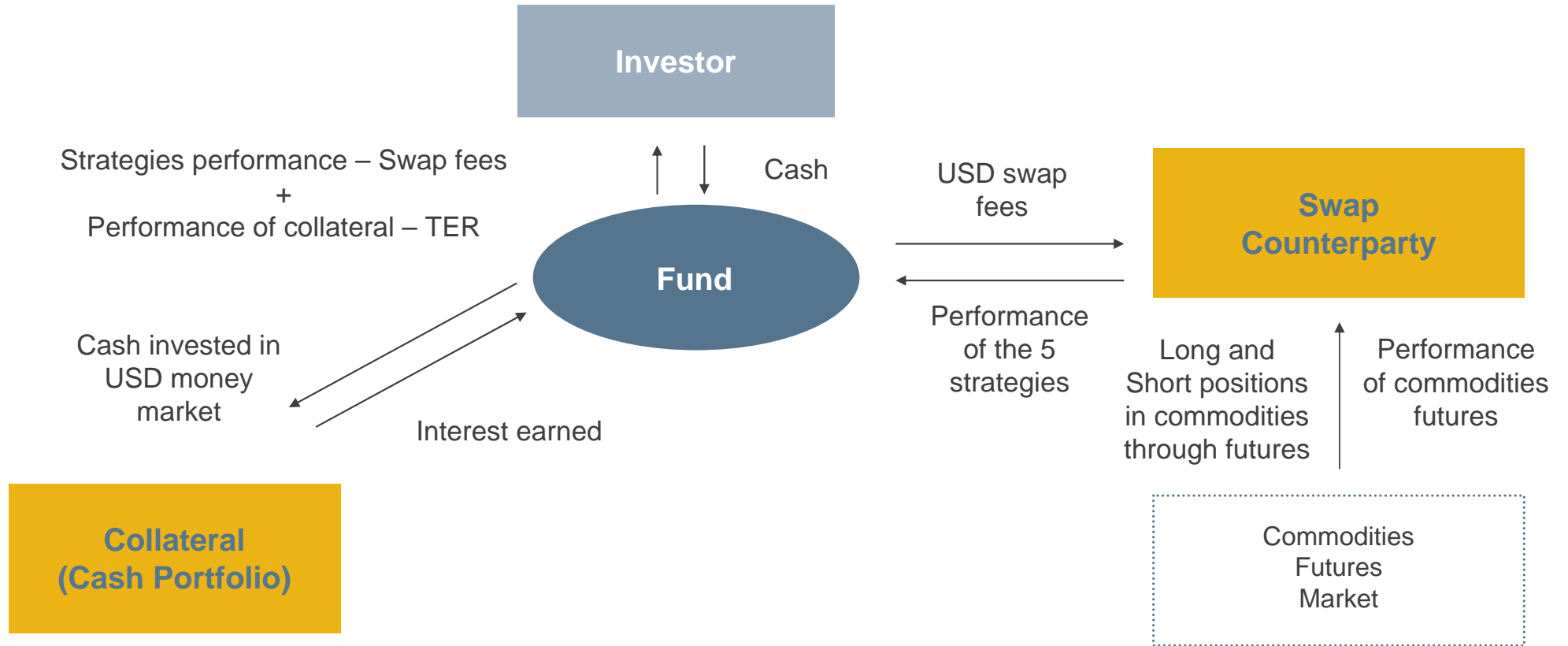
# Annual Performance By Strategy

## Return Figures Unadjusted for Costs

Overview single strategies								
	DJAIGCI	Commodity ALPHA		Smaller Commodities	AIG R&S Long	AIG RS L&S	AIG BASIS Long	AIG BASIS L&S
	Total Return	Total Return		Total Return	Total Return	Total Return	Total Return	Total Return
Return	161,91%	676,60%		478,11%	424,51%	687,25%	376,54%	728,82%
Return p.a.	5,68%	12,49%	<b>6,80%</b>	10,60%	9,98%	12,57%	9,38%	12,91%
Volatility	14,90%	13,67%		14,63%	16,35%	15,86%	16,96%	14,21%
Correlation		0,80		0,78	0,84	0,07	0,80	0,06
Mai 09	<b>5,10%</b>	<b>10,77%</b>	<b>5,67%</b>	<b>14,34%</b>	<b>7,27%</b>	<b>-1,09%</b>	<b>14,01%</b>	<b>16,69%</b>
2008	<b>-35,65%</b>	<b>-30,66%</b>	<b>4,99%</b>	<b>-30,99%</b>	<b>-35,80%</b>	<b>-5,20%</b>	<b>-43,56%</b>	<b>-11,17%</b>
2007	<b>16,23%</b>	<b>16,48%</b>	<b>0,25%</b>	<b>49,67%</b>	<b>24,83%</b>	<b>24,62%</b>	<b>-4,92%</b>	<b>-21,34%</b>
2006	<b>2,07%</b>	<b>32,36%</b>	<b>30,29%</b>	<b>12,89%</b>	<b>23,07%</b>	<b>44,64%</b>	<b>26,62%</b>	<b>40,40%</b>
2005	<b>21,36%</b>	<b>18,84%</b>	<b>-2,53%</b>	<b>26,72%</b>	<b>15,68%</b>	<b>-5,54%</b>	<b>25,53%</b>	<b>6,27%</b>
2004	<b>9,15%</b>	<b>11,34%</b>	<b>2,20%</b>	<b>23,37%</b>	<b>12,52%</b>	<b>6,39%</b>	<b>15,73%</b>	<b>11,11%</b>
2003	<b>20,82%</b>	<b>28,17%</b>	<b>7,35%</b>	<b>26,31%</b>	<b>29,93%</b>	<b>11,77%</b>	<b>33,36%</b>	<b>17,71%</b>
2003	<b>27,91%</b>	<b>19,39%</b>	<b>-8,52%</b>	<b>25,18%</b>	<b>16,03%</b>	<b>-11,50%</b>	<b>25,02%</b>	<b>3,43%</b>
2001	<b>-16,48%</b>	<b>-12,54%</b>	<b>3,94%</b>	<b>-4,94%</b>	<b>-22,59%</b>	<b>-4,23%</b>	<b>-16,40%</b>	<b>17,14%</b>
2000	<b>28,53%</b>	<b>50,95%</b>	<b>22,42%</b>	<b>18,56%</b>	<b>64,00%</b>	<b>79,36%</b>	<b>43,39%</b>	<b>31,25%</b>
1999	<b>23,44%</b>	<b>9,85%</b>	<b>-13,59%</b>	<b>34,00%</b>	<b>10,45%</b>	<b>-10,26%</b>	<b>17,13%</b>	<b>2,92%</b>
1998	<b>-26,05%</b>	<b>-10,08%</b>	<b>15,98%</b>	<b>-23,59%</b>	<b>-19,06%</b>	<b>19,39%</b>	<b>-24,70%</b>	<b>16,56%</b>
1997	<b>-4,59%</b>	<b>-1,71%</b>	<b>2,87%</b>	<b>-1,61%</b>	<b>-4,31%</b>	<b>0,82%</b>	<b>-6,82%</b>	<b>-6,87%</b>
1996	<b>22,82%</b>	<b>32,88%</b>	<b>10,06%</b>	<b>24,37%</b>	<b>32,04%</b>	<b>32,59%</b>	<b>34,26%</b>	<b>27,45%</b>
1995	<b>17,28%</b>	<b>18,99%</b>	<b>1,72%</b>	<b>17,90%</b>	<b>16,80%</b>	<b>10,36%</b>	<b>22,19%</b>	<b>21,33%</b>
1994	<b>15,18%</b>	<b>22,11%</b>	<b>6,93%</b>	<b>6,98%</b>	<b>19,86%</b>	<b>12,57%</b>	<b>31,46%</b>	<b>30,29%</b>
1993	<b>0,01%</b>	<b>19,19%</b>	<b>19,18%</b>	<b>-0,10%</b>	<b>17,29%</b>	<b>36,13%</b>	<b>7,40%</b>	<b>26,10%</b>
1992	<b>2,79%</b>	<b>9,80%</b>	<b>7,01%</b>	<b>-1,42%</b>	<b>7,29%</b>	<b>12,61%</b>	<b>11,31%</b>	<b>15,41%</b>

Source: DJ UBS, Pioneer Investments as at 29.05.2009. DJ-UBS Commodity Total Return Index in the reference index. Please note: Returns in US dollars. \*Backtesting from 12/1991 to 02/2008. Performance of Pioneer Funds – Commodity Alpha, Class A EUR nd from 03/2008 to 05/2009. Above return figures from back test has not been adjusted for costs, fees and slippage. Starting March 2008 real figures used from the unit class "A"

# Implementation of Strategies



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