

Pioneer Investments on Closed-End Investing

March 24, 2008

Topic: Update on Leverage and Auction Rate Preferred Securities

Pioneer Investments continues to explore and evaluate potential solutions for shareholders of its closed-end funds affected by the lack of liquidity in the auction rate preferred share (ARPS) market. Over the last few weeks, Pioneer has met with the Boards of Trustees of the Pioneer closed-end funds to apprise the Boards of ongoing developments regarding the ARPS market and to address the specific circumstances of each of the Pioneer closed-end funds that has issued ARPS. Pioneer also has been actively working with financial institutions, broker-dealers and other industry participants in an effort to bring a resolution to this challenging, complex and pressing matter.

We are examining all alternatives and their impact on both common and preferred shareholders. We are considering a number of potential solutions, including refinancing ARPS with other forms of leverage, or providing liquidity by enhancing ARPS so that they are eligible for purchase by money market funds. Possible solutions may vary depending on the asset class in which a fund invests. The ability to secure replacement financing is dependent on the availability of capital and financing terms. In general, financial institutions have indicated greater willingness currently to provide financing to closed-end funds investing primarily in equity securities, as opposed to funds investing in below investment grade fixed income securities, such as high yield bonds and bank loans. In addition, borrowing through a loan or other form of debt may not be practical for closed-end funds that invest in municipal bonds due to tax-related factors. Providing liquidity for preferred shares of closed-end funds that invest primarily in municipal bonds or below investment grade securities may be possible by adding features making the shares eligible for purchase by money market mutual funds. There is no guarantee that Pioneer will be able to achieve these outcomes, since they all require the involvement of other industry participants, but we are making every effort available to us to resolve the matter.

Although there have been some signs of improvement in auction markets for municipal securities and certain other asset classes, the auction market for preferred shares of closed-end funds continues to be stagnant. Pioneer's closed-end funds continue to pay distributions in compliance with terms of the ARPS. Current dividend rates for the preferred shares of the Pioneer closed-end funds remain lower than the earnings rates produced by the funds' portfolios of securities, indicating that leverage is still an effective strategy. Also, the preferred shares of all of the Pioneer closed-end funds continue to be rated AAA/Aaa by both S&P and Moody's.

We cannot predict the extent to which failed auctions will continue to impact the market or the duration of such events, nor can we provide a specific solution at this time. We will continue to provide shareholders with periodic updates on conditions in the auction markets and developments related to the Pioneer closed-end funds. As we work toward solutions, we are keenly aware of the effect of failed auctions on those preferred shareholders in need of liquidity.

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Details of the maximum annualized interest rates payable to preferred shareholders as of 3/24/08 are provided below. Please note that because the auctions are held on a weekly or monthly basis, depending on each fund's particular structure, not all rates were effective as of 3/24/08.

Pioneer High Income Trust (PHT)

Cusip	Current Maximum Rate
72369H205	3.002%
72369H304	3.608%
72369H403	3.167%

Pioneer Municipal High Income Trust (MHI)

Cusip	Current Maximum Rate
723763207	3.686%
723763306	3.488%

Pioneer Municipal High Income Advantage Trust (MAV)

Cusip	Current Maximum Rate
723762209	3.704%
723762308	3.790%

Pioneer Municipal & Equity Income Trust (PBF)

Cusip	Current Maximum Rate
723761201	3.880%
723761300	4.013%
723761409	4.068%

Pioneer Floating Rate Trust (PHD)

Cusip	Current Maximum Rate
72369J201	4.013%
72369J300	3.936%
72369J409	4.013%

Investment return and market price will fluctuate, and shares may trade below net asset value, due to such factors as interest rate changes, and the perceived credit quality of borrowers.

Closed-end funds, unlike open-end funds, are not continuously offered. Once issued, shares of closed-end funds are sold in the open market through a stock exchange and frequently trade at prices lower than their net asset values. Net Asset Value (NAV) is total assets less total liabilities, which includes preferred shares, divided by the number of common shares outstanding.