



PIONEER ADVISORY: Update on Auction Rate Preferred Shares

June 2009

Pioneer Investments is continuing to work toward solutions for shareholders of its closed-end funds affected by the lack of liquidity in the auction market for Auction Rate Preferred Shares ("ARPS"). Since the auction market stopped functioning last year, few options have emerged for investors in these securities. A limited secondary market for ARPS has developed in which transactions typically take place at discounts to the liquidation preference amount of the ARPS. In addition, a number of broker-dealers have initiated ARPS buyback programs, usually at full value or close to full value. Investors in ARPS should contact their financial advisors for details.

Pioneer is pursuing alternatives that it believes have the best potential to serve the needs of both common and preferred shareholders on a fund-by-fund basis. Some of the options being considered include debt financing and the development of a new form of preferred shares that would be eligible for purchase by money market funds.

As previously announced, Pioneer filed an application with the Securities and Exchange Commission (SEC) for two of its closed-end funds, Pioneer High Income Trust (NYSE: PHT) and Pioneer Floating Rate Trust (NYSE: PHD), for an order that would expand the range of available refinancing alternatives by allowing the funds to enter into a loan facility with an affiliate of the funds' adviser, Pioneer Investment Management, Inc. Separately, with respect to the same funds, the firm filed an application with the SEC for temporary exemptive relief from the asset coverage requirements applicable to debt leverage under the Investment Company Act of 1940.

Keep in mind, there can be no assurance as to whether or when the SEC would grant the requested orders or the conditions under which either order might be granted. Further, there can be no assurance as to the availability of a loan facility at any time when such an order is in effect or as to the likelihood that a fund's Board of Trustees would approve a proposed loan facility. As with any refinancing alternative, the Board would have to determine whether a loan was in the best interests of the fund, after consideration of then-existing circumstances, including the terms of the loan, the prevailing market and economic environment, the potential availability of other suitable alternatives and the conditions of any applicable exemptive order.

Pioneer's senior management and the funds' Board of Trustees continue to believe that leverage is beneficial to the Pioneer closed-end funds and their common shareholders. We are hopeful that liquidity solutions can be implemented for the funds' ARPS holders as credit markets improve. Different solutions may be preferable for different types of funds (taxable income and tax-exempt income). In particular, debt financing may not be a viable solution for tax-exempt Pioneer closed-end funds, such as Pioneer Municipal High Income Trust (NYSE: MHI) and Pioneer Municipal High Income Advantage Trust (NYSE: MAV). These funds invest in municipal debt and focus on generating tax-exempt income. Therefore, debt financing, and the borrowing costs associated with debt financing, do not provide the same degree of benefit to these funds.

About Pioneer Investments

Pioneer Investments is the trade name for Pioneer Global Asset Management S.p.A. and its subsidiaries, a global investment firm with offices in more than 31 countries and approximately \$205 billion in assets under management as of March 31, 2009, including approximately \$45 billion managed in the U.S. Founded in 1928, our flagship mutual fund, Pioneer Fund, is the third-oldest mutual fund in the U.S. Pioneer Investment Management, Inc. is the investment advisory subsidiary of Pioneer Investment Management USA Inc., which is the North American operating subsidiary of Pioneer Global Asset Management S.p.A., a wholly-owned subsidiary of UniCredit S.p.A.

For More Information:

- **Shareholder Inquiries:** Please contact your financial advisor.
- **Broker/Advisor Inquiries:** 800-622-9876
- **Media Inquiries:** Contact Geoff Smith at, 617-422-4727

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 value.