

# Pioneer Equity Income Fund (PEQIX)

## Strategic Overview



**John A. Carey**  
Portfolio Manager

*“We are long-term, low-turnover investors in dividend-paying stocks. We look for well-established companies with exemplary dividend growth over the past three, five, and ten years and managements committed to continuing dividend payments, selecting securities we believe are currently selling at significant discounts to their intrinsic value and holding these issues until their value is fully reflected in the marketplace.”*

Keep in mind that dividends are not guaranteed.

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### Dividend-Paying Equities

*Dividends have always been important for long-term investors.*

- Dividend-paying stocks have historically retained their value better than non-dividend payers during market downturns because of the income they've generated. This offers the potential to smooth the effects of volatility in investor portfolios over time.
- According to Standard & Poor's, reinvested dividends have made up 28.2% of the total return of the S&P 500 Index over the past 25 years (as of 12/31/08).
- Since the tax law change in 2003, all dividend income from common stocks is taxed at the favorable 15% rate. All of the income paid to shareholders of this Fund, since the tax law change, has qualified for the 15% tax rate.

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### Portfolio Management

- Portfolio manager John Carey has led Pioneer Equity Income Fund since its inception in July 1990 and began his investment career at Pioneer in 1979. He started as an analyst, training under Philip Carret, who founded Pioneer Fund back in 1928.
- Philip Carret is often regarded as one of the first proponents of value investing and his “basic value” style of investing is carried on by John Carey today.
- In over 19 years of selecting dividend-paying stocks for Pioneer Equity Income Fund, John Carey has invested through a wide range of market cycles, including multiple bear markets.

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### Investment Process

- Invests only in dividend-paying equity securities in the Russell 1000 Value Index.
- Emphasis on strong companies that have expressed a commitment to continued dividend payments.
- Especially favor companies that have raised their dividend at an above-average rate compared to other companies in their industry over the last 3 to 5 years. Generally 80 to 85 holdings ... diversified among many sectors.
- Dividends from **operating earnings**, not from borrowing; companies provide for other capital needs including new plant and equipment and working capital.

<sup>1</sup>Past performance is no guarantee of future results.

#### A Word About Risk:

At times, the Fund's investments may represent industries or industry sectors that are interrelated or have common risks, making it more susceptible to any economic, political, or regulatory developments or other risks affecting those industries and sectors. These risks may increase share price volatility.

**Learn More:**

**Contact your financial advisor or visit [pioneerinvestments.com](http://pioneerinvestments.com) for more information about the Pioneer investment products and programs that may be best for your needs.**

**Before investing, consider the product's investment objectives, risks, charges and expenses. These risks may increase share price volatility. Contact your advisor or Pioneer Investments for a prospectus containing this information. Read it carefully.**

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