



March 2008

Re: Important information affecting Pioneer 403(b) accounts

Dear Financial Advisor:

At Pioneer Investments, we are proud of our history within the 403(b) plan marketplace. Together with your help we have delivered superior retirement products and services to our 403(b) participants.

With the effective date of the new regulations on the horizon, we are now facing a significant change due to the complexities of the regulations. After careful review of the impact to our 403(b) participants, we have concluded that Pioneer Investments will no longer accept 403(b) contributions – effective January 1, 2009.

Please note: Pioneer will continue to maintain and support your clients' existing 403(b) accounts.

Important dates:

- May 1, 2008 - Pioneer will no longer establish 403(b) accounts for **new** clients; and
- December 31, 2008 - Pioneer will cease accepting 403(b) contributions for **all** clients.

We want to remain sensitive to the relationships that you have cultivated with your clients. After a great deal of analysis and consideration, we have concluded that advisors would best be served by teaming up with one of the leading companies in the 403(b) market. In order to offer you continued selling opportunities in the 403(b) marketplace, we are pleased to announce a new partnership with AIG Retirement, whose commitment to providing innovative retirement solutions makes them a leader in the newly evolving 403(b) marketplace.

In researching business partners, we wanted a company with a solid grasp of the 403(b) legal landscape and a plan already in place to cope with the challenging regulatory changes. AIG Retirement meets these criteria and more with AIG Retirement ManagerSM, a comprehensive vendor-neutral solution for managing multiple retirement plans and multiple vendors. Their proven program has been up and running for over three years and already processes 17,000 transactions each month with access to over 180 plan vendors nationally, totaling nearly \$1 billion in annual plan contributions.

To find out more about the upcoming regulatory changes and to hear more about how AIG Retirement Manager can benefit your practice, please join us for a 403(b) conference call on April 3, 2008. This call will feature key members of Pioneer's Retirement Marketing Team and Greg Garvin, EVP. Independent Distribution, AIG Retirement.

Pioneer 403(b) Conference Call: April 3, 2008, 4:15 pm Eastern

Dial in: (866) 284-6363 Conference ID: 399131110

We look forward to speaking with you on April 3rd. If you have any questions, please contact your Pioneer Regional Sales Specialist at 1-800-622-9876. To contact AIG Retirement directly, please call 1-877-246-4501.

Sincerely,

Pioneer Investments

Pioneer Investments is not affiliated with AIG Retirement.



Pioneer Investments 403(b) Regulation Questions & Answers

Q. Why is Pioneer not accepting any contributions to 403(b) accounts effective January 1, 2009?

A. With the effective date of the Final 403(b) Regulations, comes the requirement of increased monitoring of contributions, withdrawals and loans. Upon evaluating our core competencies we have determined that Pioneer is not ideally positioned to meet these new demands. Effective January 1, 2009; Pioneer will no longer be an active 403(b) provider for schools and 501(c)(3) employers. Any contributions received by Pioneer from this date forward will be returned to the employer.

Please note: We will continue to maintain and service existing 403(b) participant's accounts.

Q. Will my client's Pioneer 403(b) account be closed?

A. No.

Q. Does this mean my clients will have to move their Pioneer 403(b) account to an approved vendor?

A. No. Your clients may retain their Pioneer 403(b) account, but will not be able to make any additional salary deferral contributions to it, effective January 1, 2009.

Q. What is the impact to my existing clients?

A. Existing 403(b) clients may continue making contributions into their Pioneer 403(b) account through the end of 2008, after which time no additional salary deferral contributions will be accepted by Pioneer.

As an alternative, your clients may be able to continue investing in certain Pioneer Funds through our partnership with AIG Retirement. Call AIG Retirement at 1-877-246-4501 for more information.

Q. What if I want to enroll new 403(b) clients?

A. Pioneer will not accept any 403(b) applications or open any 403(b) accounts for new clients effective May, 1, 2008.

In order to offer you continued opportunities in the 403(b) marketplace, we have made referral arrangements with AIG Retirement, one of the largest 403(b) providers in the industry. A number of Pioneer Funds will be available through AIG's new funds platform allowing you continued access to Pioneer's Investment Strategies. Call AIG Retirement at 1-877-246-4501 for more information.

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Q. What happens if my client has an outstanding loan?

A. Your client may continue to repay the loan into their Pioneer 403(b) account.

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Q. Is Pioneer accepting any 90-24 transfers?

A. No. Effective September 24, 2007, Pioneer ceased accepting 90-24 transfers.

Q. Can my client transfer to another 403(b) provider?

A. Yes, provided that the new 403(b) provider has a signed ISA with the employer or is named under the employer's 403(b) Plan. Additional requirements may apply. Please contact Pioneer Investment Management Shareholder Services, Inc. (PIMSS) for additional information at 1-866-622-7815.

Q. Will Pioneer enter into formal Information Sharing Agreements (ISAs) with 403(b) sponsors?

A. No, since Pioneer will not be opening new 403(b) arrangements or accepting contributions or transfers into its existing 403(b) arrangements, it will not be entering into formal ISAs with 403(b) plan sponsors or third-party administrators. However, Pioneer will establish a policy and process whereby employers [and authorized third-party administrators?] may request information needed to help them comply with the various administrative requirements contained in the new 403(b) regulations.

Q. Is Pioneer notifying 403(b) employers?

A. Yes. Pioneer will be notifying 403(b) employers of record of this change during the month of May 2008.

Please note: In the current 403(b) environment, we may not have current information for every 403(b) employer. We will also make the 403(b) Employer mailing information available on our website at that time, should you desire to make this information available.

Please visit pioneerinvestments.com

Q. Is Pioneer notifying 403(b) participants?

A. Yes. Pioneer will be contacting existing 403(b) participants concerning the January 1, 2009 deadline and will be encouraging them to contact their financial advisor to discuss their options for the upcoming school year. We anticipate mailing this information in early July, 2008. As with the 403(b) Employer information, we will make this information available on our website at that time.

Q. How do I know if my firm has a Selling Agreement with AIG Retirement?

A. Check with your Home Office Compliance department.

Q. Who can I contact for additional information?

A. Please contact one of the following numbers with additional questions:

Pioneer Sales Support – contact your Regional Sales Specialist at 1-800-622-9876.

AIG Retirement – contact AIG Retirement at 1-877-246-4501

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