

September 28, 2010

VIA ELECTRONIC DELIVERY

Mr. Russell G. Golden
Technical Director
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Re: Accounting for Financial Instruments and Revisions to the Accounting for Derivative Instruments and Hedging Activities (File Reference No. 1810-100)

Dear Mr. Golden:

Pioneer Investments appreciates the opportunity to comment on the proposed accounting standards update Accounting for Financial Instruments and Revisions for Derivative Instruments and Hedging Activity (ASU or Proposal). While we are supportive of the Financial Accounting Standard Board's efforts to provide a more transparent and representative depiction of financial statements, we are concerned that certain aspects of the proposal set forth in the Proposal will not achieve that goal, but rather create greater confusion for mutual fund investors. As discussed more fully below, our primary concern with the Proposal relates to the expensing of transaction costs and the requirement of using fair value in place of amortized cost with regard to money market funds.

Transaction Costs

The Proposal would require investment companies to recognize transaction costs on the purchase and sale of portfolio securities when incurred and reflected as an expense in the statement of operations and expense ratio. Under current GAAP, the treatment of recognizing transaction costs as part of the cost of securities purchased is properly reflected on a current basis in a reduction (as part of the reduced unrealized gain or increased unrealized loss) in net assets resulting from operations. We support the current treatment and believe that treating transaction costs as a fund operating expense would depart from long-standing accounting, tax and market practices that consider transaction costs (whether explicit or implicit) as an intrinsic part of the acquisition cost of a

Pioneer Investment Management, Inc. 60 State Street Boston, MA 02109-1820 Tel 617-742-7825 Mr. Russell G. Golden September 28, 2010 Page 2 of 3

financial asset and further would impede investor understanding of the level of a fund's operating expenses. While a fund's operating expenses are rather stable, brokerage commissions and other transaction costs can vary greatly over time depending on a number of factors, making them unpredictable and relatively volatile from year to year. As a result, the addition of transaction costs in the expense ratio will result in the ratio being less meaningful to mutual fund investors when comparing mutual funds on the basis of expenses.

In the Proposal, it is unclear as to what would be considered a transaction cost. Whereas brokerage commission with respect to equity securities are explicit, transactions in fixed income securities and on other over-the-counter markets are effected as principal transactions and are not subject to a stated commission. If only explicit costs are considered transaction costs, then it is possible that a fixed income fund would not have certain costs whereas an equity fund would. This inconsistency would result in considerable confusion when comparing the relative expense ratios of multiple funds.

In addition, we note that current tax law requires transaction costs to be included in the cost basis of securities. If transaction costs are characterized as an explicit expense, the fund's reported net investment income would be reduced, consequently understating reported GAAP net income associated with an investment in the fund relative to taxable income. We believe the complexities resulting from the additional book/tax differences will result in both additional costs to registered investment companies as well as confusion to investors. Financial statements would also be less useful to investors because capital gains are based on tax rules and the amount of capital gains reported would have little relationship to the tax amounts. For example, if commissions were not included in capital gains it would be possible to report net gains for financial statement purposes, but have no real distribution because of a net capital loss for tax purposes.

Money Market Funds

The Proposal would require money market funds that comply with Rule 2a-7 under the Investment Company Act of 1940 to measure their investments at fair value rather than amortized cost when reporting holdings in their financial statements. Question 6 set forth in the Proposal asks whether we believe that reporting at fair value rather than amortized cost will provide financial statement users with decision-useful information. We see no practical benefit in using fair value and believe it may even cause confusion among financial statement users. Rule 2a-7, among other things, facilitates money market funds' ability to maintain a stable net asset value by permitting them to use the amortized cost

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method of valuation so long as they comply with the substantive risk-limiting conditions of the rule. Thus, the using each portfolio's fair value in lieu of its amortized cost would conflict with methodology under Rule 2a-7 for calculating a fund's net asset value per share, the price at which investors transact in fund shares.

Moreover, investors seeking information regarding any deviation between fair value and amortized cost have access to that information. In February, the SEC amended Rule 2a-7 to require money market funds to publish a "shadow" NAV each month. This is intended to show any deviation between net asset value per share based on market quotations and the current net asset value per share based on amortized cost, which will most likely be insignificant. In addition, the recently adopted 30b1-7 will require more frequent reporting of portfolio information on a new Form N-MFP, which will be filed within five business days of each month end and be available to the public 60 days after month end. Due to the availability of this information, we believe requiring money market funds to depart from the methodology used to calculate their net asset values under current regulations and instead use fair value for financial statement purposes would result in investor confusion and serves no practical benefit.

Please contact Terrence Cullen at (617) 422-4379 or Mark Bradley at (617) 422-4468 to discuss any questions you may have regarding our comments.

Very truly yours

Terrence J. Cullen

Senior Vice President and General Counsel, Pioneer Investment Management, Inc.

Mark E. Bradley

Vice President and Head of Fund Accounting, Administration, and

Controllership Services,

Pioneer Investment Management, Inc.

Treasurer,

Pioneer Family of Funds