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PIONEER TAX FREE INCOME FUND

Form N-14

June 18, 2008

As filed with the Securities and Exchange Commission on June 18, 2008

File No. 333-_____

United States
Securities and Exchange Commission
Washington, D.C. 20549

FORM N-14

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Pre-Effective Amendment No. ____

Post-Effective Amendment No. ____

(Check appropriate box or boxes)

PIONEER TAX FREE INCOME FUND

(Exact Name of Registrant as Specified in Charter)

(617) 742-7825

(Area Code and Telephone Number)

60 State Street, Boston, Massachusetts 02109

(Address of Principal Executive Offices: Number, Street, City, State, Zip Code)

Dorothy E. Bourassa, Esq.
Pioneer Investment Management, Inc.
60 State Street
Boston, Massachusetts 02109
(Name and Address of Agent for Service)

Copies to: Roger P. Joseph, Esq.
Bingham McCutchen LLP
One Federal Street
Boston, Massachusetts 02110

Approximate Date of Proposed Public Offering: As soon as practicable after the effective date of this Registration Statement.

Calculation of Registration Fee under the Securities Act of 1933: No filing fee is due because of reliance on Section 24(f) of the Investment Company Act of 1940, which permits registration of an indefinite number of securities.

Title of Securities Being Registered: Shares of beneficial interest of the Registrant.

It is proposed that this registration statement will become effective on July 18, 2008, pursuant to Rule 488 under the Securities Act of 1933, as amended.

COMBINED PROXY STATEMENT

OF

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PIONEER MUNICIPAL AND EQUITY INCOME TRUST

AND

PROSPECTUS FOR

CLASS A SHARES OF
PIONEER TAX FREE INCOME FUND

(each, a "Pioneer Fund" and together, the "Pioneer Funds")

The address and telephone number of each Pioneer Fund is:

60 State Street
Boston, Massachusetts 02109
1-800-225-6292

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

SCHEDULED FOR SEPTEMBER 11, 2008

To the Shareholders of Pioneer Municipal and Equity Income Trust:

This is the formal agenda for your fund's shareholder meeting. It tells you what matters will be voted on and the time and place of the meeting, in case you want to attend in person.

A special shareholder meeting for your fund will be held at the offices of Bingham McCutchen LLP, One Federal Street, Boston, Massachusetts on September 11, 2008, at 2:00 p.m., Eastern Time (the "Meeting"), to consider the following:

1. A proposal to approve an Agreement and Plan of Merger between your fund and Pioneer Tax Free Income Fund. Under this Agreement and Plan of Merger, your fund (a closed-end fund) will merge with and into an open-end fund, Pioneer Tax Free Income Fund.
2. Any other business that may properly come before the Meeting.

YOUR TRUSTEES RECOMMEND THAT YOU VOTE IN FAVOR OF THE PROPOSAL.

Shareholders of record as of the close of business on July 7, 2008 are entitled to vote at the Meeting and any related follow-up meetings.

WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING, PLEASE COMPLETE AND RETURN THE ENCLOSED PROXY. If shareholders do not return their proxies in sufficient numbers, your fund may be required to make additional solicitations.

By Order of the Board of Trustees,

/s/Dorothy E. Bourassa

Dorothy E. Bourassa
Secretary

Boston, Massachusetts
_____, 2008

COMBINED PROXY STATEMENT

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PIONEER MUNICIPAL AND EQUITY INCOME TRUST

AND

PROSPECTUS FOR

CLASS A SHARES OF
PIONEER TAX FREE INCOME FUND

(each, a "Pioneer Fund" and together, the "Pioneer Funds")

The address and telephone number of each Pioneer Fund is:

60 State Street
Boston, Massachusetts 02109
1-800-225-6292

Shares of the Pioneer Funds have not been approved or disapproved by the Securities and Exchange Commission (the "SEC"). The SEC has not passed on upon the adequacy of this prospectus. Any representation to the contrary is a criminal offense.

An investment in either Pioneer Fund (each sometimes referred to herein as a "fund") is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

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INTRODUCTION

This combined proxy statement/prospectus, dated _____, 2008 (the "Proxy Statement/Prospectus"), is being furnished to shareholders of Pioneer Municipal and Equity Income Trust (NYSE symbol: PBF) in connection with the solicitation by the Board of Trustees (the "Board" or the "Trustees") of proxies to be used at a special meeting of the shareholders of Pioneer Municipal and Equity Income Trust to be held at the offices of Bingham McCutchen LLP, One Federal Street, Boston, Massachusetts on September 11, 2008, at 2:00 p.m., Eastern Time (the "Meeting"). The Proxy Statement/Prospectus is being mailed to shareholders of Pioneer Municipal and Equity Income Trust on or about _____, 2008.

The purpose of this Proxy Statement/Prospectus is to obtain shareholder approval to merge Pioneer Municipal and Equity Income Trust with and into Pioneer Tax Free Income Fund, an open-end fund (commonly referred to as a "mutual fund"). Pioneer Tax Free Income Fund and your fund have the same investment adviser, Pioneer Investment Management, Inc. ("Pioneer"). Reorganizing your fund into Pioneer Tax Free Income Fund will enable you to share in certain potential benefits, including (i) the opportunity to invest in an established open-end fund that, like your fund, pursues a tax-oriented investment approach and also offers lower expenses and a comparable tax-equivalent yield; (ii) elimination of the discount to net asset value at which shares of your fund have traded historically; (iii) the ability to redeem your shares at their net asset value on a daily basis; and (iv) allowing you to choose the timing of any recognition of taxable gain or loss occasioned by the redemption of shares. These potential benefits are described in greater detail below. It should be noted that past performance is no assurance of future results.

The Trustees recommend that you vote FOR this proposal.

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The Proxy Statement/Prospectus contains information you should know before voting on the proposed Agreement and Plan of Merger that provides for the merger of your fund into Pioneer Tax Free Income Fund (the "Merger"). Please read the Proxy Statement/Prospectus carefully, including Exhibit A and Exhibit B, because they are a part of this Proxy Statement/Prospectus and contain details that are not in the summary.

The date of this Proxy Statement/Prospectus is _____, 2008.

Additional information about each Pioneer Fund has been filed with the SEC (<http://www.sec.gov>) and is available upon oral or written request and without charge. See "Where to Get More Information" below.

Where to Get More Information

Pioneer Tax Free Income Fund's current Class A shares prospectus, multi-class statement of additional information, and any applicable supplements.

On file with the SEC (<http://www.sec.gov>) available at no charge by calling our number: 1-800-225-6292

Each Pioneer Fund's most recent annual and semi-annual reports to shareholders.

On file with the SEC (<http://www.sec.gov>) available at no charge by calling our number: 1-800-225-6292. See "Available Information."

A statement of additional information for this Proxy Statement/Prospectus (the "SAI"), dated [], 2008. It contains additional information about the Pioneer Funds.

On file with the SEC (<http://www.sec.gov>) available at no charge by calling our number: 1-800-225-6292. This SAI is included by reference into this Proxy Statement.

To ask questions about this Proxy Statement/Prospectus.

Call our toll-free telephone number:

How the Merger Will Work

- o The Merger is scheduled to occur as of the close of business on [], 2008 but may occur on such later date as the parties may agree in writing (the "Closing Date").
- o Your fund will merge with and into an open-end fund, Pioneer Tax Free Income Fund. All of the assets and liabilities of your fund will become the assets and liabilities of Pioneer Tax Free Income Fund, and your fund will cease to exist. The outstanding common shares of your fund will be converted into a number of whole or fractional Class A shares of Pioneer Tax Free Income Fund with an aggregate net asset value equal to the aggregate net asset value of the common shares of your fund immediately prior to the Merger. Your fund's net asset value can be expected to vary from the market value attributable to your fund's common shares. The net asset value of both Pioneer Funds will be computed as of the close of regular trading on the New York Stock Exchange ("NYSE") on the Closing Date.

- o Holders of each of your fund's common shares and Auction Market

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Preferred Shares ("AMPS") are entitled to vote on the Agreement and Plan of Merger. An affirmative vote of a majority of the outstanding common shares and an affirmative vote of a majority of the outstanding AMPS, voting separately, will be required to approve the Agreement and Plan of Merger. However, after the Meeting but prior to the Closing Date, your fund will call for redemption and redeem all of its outstanding AMPS. Only common shares will be converted into Class A shares of Pioneer Tax Free Income Fund in the Merger.

- o No sales load, contingent deferred sales charge, commission, redemption fee or other transaction fee will be charged as a result of the Merger. After the Merger, holders of common shares of your fund will be able to exchange your Class A shares of Pioneer Tax Free Income Fund into Class A shares of other Pioneer Funds without a sales charge. Class A shares are subject to a Rule 12b-1 fee of 0.25%. Class A shares do not currently charge a redemption fee.
- o The Merger generally will not result in income, gain or loss being recognized for federal income tax purposes by either Pioneer Fund or its common shareholders. However, prior to the Closing Date, your fund is expected to sell certain securities in its portfolio, including all of its non-municipal securities. The disposition of these securities could result in significant brokerage expense to your fund and also will cause your fund to realize gains or losses in its current tax year, which will end on the Closing Date. Your fund will be able to offset any net gain from such securities dispositions with its available net capital loss carryovers, and any gain not so offset will result in a distribution that will be taxable to you. The Trustees anticipate, however, that there will be sufficient loss carryovers to offset any net gain recognized by your fund as a result of securities dispositions. In addition, as noted above, after the Meeting but prior to the Closing Date, your fund will call for redemption and redeem all of its outstanding AMPS. Holders of AMPS will recognize gain or loss equal to the difference between the amount realized on the redemption and the shareholder's tax basis in the shares redeemed.
- o Any net capital loss carryovers of your fund not used in the taxable year ending on the Closing Date may be utilized in the future by Pioneer Tax Free Income Fund, as the surviving single entity, subject to tax law limitations resulting from the Merger. Subject to applicable limitations, Pioneer Tax Free Income Fund, as the surviving single entity, will be able to utilize its separate tax loss carryforwards against capital gains recognized by Pioneer Tax Free Income Fund following the Merger.
- o In recommending the Merger, the Board of Trustees of each Pioneer Fund, including all of the Trustees who are not "interested" persons (as defined in the Investment Company Act of 1940, as amended (the "1940 Act")) of the Pioneer Funds, Pioneer Investment Management, Inc., the Pioneer Funds' investment adviser ("Pioneer"), or Pioneer Funds Distributor, Inc., Pioneer Tax Free Income Fund's principal underwriter and distributor ("PFD") (the "Independent Trustees"), have determined that the Merger is in the best interest of the Pioneer Fund and will not dilute the interests of shareholders of the Pioneer Fund. The Trustees of each Pioneer Fund have made this determination based on factors that are discussed below and in greater detail under the proposal.

Why Your Fund's Trustees Recommend the Merger

The Trustees believe that merging your fund with and into Pioneer Tax Free Income Fund offers you a number of potential benefits, which are highlighted by

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the following discussion of key differences between the two funds. These potential benefits and considerations include:

- o Liquidity at net asset value. Pioneer Tax Free Income Fund is an open-end fund that permits redeeming or purchasing shares at net asset value. The Trustees noted that, because common shares of closed-end funds, such as your fund, are not redeemable and instead are bought and sold on the open market, the market price of these shares is influenced by a number of factors and, at times, may trade at a discount (or premium) to net asset value. Your fund's net asset value per share can be expected to vary from the market price of its shares, and your fund's common shares generally have traded at a discount to net asset value, ranging from (3.02)% (high) to (17.25)% (low) over the past two years ended February 29, 2008 and currently have traded at a discount of (6.14)% as of April 30, 2008. The Trustees noted that the merger of your fund into Pioneer Tax Free Income Fund effectively would provide your fund's shareholders with liquidity for their common shares at net asset value, thereby eliminating the discount at which your fund's common shares historically have traded. The Trustees also noted requests for enhanced liquidity from shareholders and changes in your fund's shareholder base related to investors seeking liquidity.
 - o Tax-oriented investment approach. Pioneer Tax Free Income Fund is an established open-end fund that, like your fund, invests in municipal securities that provide income that is exempt from regular federal income tax. The portion of your fund's portfolio invested in municipal securities is similar in many respects to Pioneer Tax Free Income Fund, including overall credit quality, maturity distribution and sector weights. However, unlike Pioneer Tax Free Income Fund, your fund invests at least 25%, and may invest up to 50%, of its total assets in equity securities. As noted above, prior to the Closing Date, your fund will sell the non-municipal securities in its portfolio.
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- o Comparable Performance. Pioneer Tax Free Income Fund's performance was comparable to your fund's performance. As of February 29, 2008, your fund's average annual returns for the past one and three year periods were (14.69)% and 0.72%, respectively. In comparison, Pioneer Tax Free Income Fund's Class A shares' average annual returns as of March 31, 2008 for the past one and three year periods were (5.14)% and 1.29%, respectively. As of February 29, 2008, the average annual return of your fund since its inception on January 30, 2004 is 3.18%. As of March 31, 2008, the average annual return of Class A shares of Pioneer Tax Free Income Fund since its inception on January 18, 1977 is 5.82%.
 - o Yield. The combined fund is expected to have a yield that is comparable to the yield of your fund. Your fund currently offers a slightly higher yield than Pioneer Tax Free Income Fund, mostly as a result of its somewhat higher exposure to below investment-grade bonds. Your fund's portfolio of municipal bonds has a yield calculated using its book value ("book yield") of approximately 6%. Pioneer Tax Free Income Fund's portfolio has a book yield of approximately 5.4%. As of March 31, 2008 the 30-day SEC yields for your Fund's common shares and the Class A shares of Pioneer Tax Free Income Fund were 8.03% and 4.43%, respectively.
 - o Lower operating expenses. The pro forma gross expense ratio for the combined fund's Class A shares is anticipated to be 0.87%. In addition, if shareholders of your fund approve the Merger, Pioneer

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will contractually agree to limit ordinary operating expense to the extent required to reduce the combined fund's expenses to 0.89% of the average daily net assets attributable to Class A shares of the combined fund. The historical expense ratio for common shares of your fund is 1.26% (the expense ratio does not reflect the effect of dividend payments to preferred shareowners). Therefore, the expense ratio will be lower for the Class A shares of the combined fund as compared to the common shares of your fund. The expense limitation discussed above would be in effect for three years from the date of the Merger. There can be no assurance that Pioneer will extend the expense limitation beyond such time.

- o Lower management fees. Pioneer Tax Free Income Fund pays a lower management fee rate. Pioneer Tax Free Income Fund's current management fee rate of 0.48% of average daily net assets and the combined fund's anticipated pro forma management fee rate of 0.45% of average daily net assets are each lower than your fund's management fee, which is 0.60% of your fund's average daily managed assets (which is equivalent to 0.83% of your fund's average daily net assets attributable to common shareowners).
- o Tax Consequences. The transaction is expected to be treated as a reorganization under Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and therefore you will not recognize gain or loss for federal income tax purposes on the conversion of your fund shares into Class A shares of Pioneer Tax Free Income Fund. However, in considering the Merger, the Board noted that prior to the Closing Date, your fund is expected to sell certain securities in its portfolio, including all of its non-municipal securities. The Board recognized that the sale of these securities could result in significant brokerage expense to your fund and also will cause your fund to realize gains or losses in the current tax year, which would then be distributed to shareholders in one or more taxable distributions. The Board also considered that your fund will be able to offset any net gain from the disposition of such securities with its available net capital loss carryovers. The Board anticipates that there will be sufficient loss carryovers to offset any net gain recognized by your fund as a result of securities dispositions. The Board also noted that after the Meeting but prior to the Closing Date, your fund will call for redemption and redeem all of its outstanding AMPS. The Board considered that holders of AMPS will recognize gain or loss equal to the difference between the amount realized on the redemption and the shareholder's tax basis in the shares redeemed.
- o Alternatives. If the Merger is not approved, the Board will meet to consider all available options, including liquidating your fund to provide all shareholders the opportunity to receive their net asset value and make their own choices as to how to invest their assets.
- o Other differences. Your fund has used investment leverage through the issuance of AMPS. Your fund has currently issued AMPS with an aggregate liquidation preference of approximately 32% of the fund's total assets. In contrast, Pioneer Tax Free Income Fund may not use leverage through AMPS. As noted above, after the Meeting but prior to the Closing Date, your fund will call for redemption and redeem all of its outstanding AMPS. Holders of AMPS will receive \$25,000 per share, plus an amount equal to accumulated but unpaid dividends thereon through the date fixed for redemption.

There are differences in shareholder voting between your fund and Pioneer Tax Free Income Fund. Generally, shareholders of listed closed-end funds like your fund have greater voting rights, including

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rights to vote at annual meetings for the election of trustees in accordance with NYSE rules. Your voting rights and the voting rights of shareholders of Pioneer Tax Free Income Fund are described in more detail below.

Therefore, your fund's Trustees recommend that you vote FOR the Merger.

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What are the Federal Income Tax Consequences of the Merger

As a condition to the closing of the Merger, the funds must receive an opinion of Bingham McCutchen LLP to the effect that the Merger will constitute a "reorganization" within the meaning of Section 368 of the Code. Accordingly, subject to the limited exceptions described below under the heading "Tax Status of the Merger," it is expected that neither your fund nor common shareholders of your fund will recognize gain or loss as a direct result of the Merger, and that the aggregate tax basis of the Pioneer Tax Free Income Fund Class A shares that holders of common shares of your fund receive in the Merger will be the same as the aggregate tax basis of the common shares of your fund that you held prior to the Merger. However, in accordance with the Pioneer Funds' policy that each Pioneer Fund distributes its investment company taxable income, net tax-exempt income and net capital gains for each taxable year (in order to qualify for tax treatment as a regulated investment company and avoid federal income tax thereon at the fund level), your fund will declare and pay a distribution of such income and gains to its shareholders shortly before the Merger. Such distribution may affect the amount, timing or character of taxable income that you realize in respect of your fund shares. Such distribution is currently estimated to total \$0.1120 in ordinary income per share. Pioneer Tax Free Income Fund may make a comparable distribution to its shareholders shortly before the Merger. Additionally, following the Merger, Pioneer Tax Free Income Fund will declare and pay to its shareholders before the end of 2008 a distribution of any remaining 2008 income and gains. Distributions that Pioneer Tax Free Income Fund declares and pays on your shares after the Closing Date will be reportable to you for tax purposes, even though those distributions may include a portion of Pioneer Tax Free Income Fund's income and gains that were accrued and/or realized before the Closing Date.

In addition, as noted above, prior to the Closing Date, your fund is expected to sell certain securities in its portfolio, including all of its non-municipal securities. The disposition of these securities will cause your fund to realize gains or losses in the current tax year. Your fund will be able to offset any net gain from such securities dispositions with its available net capital loss carryovers, and any gain not so offset will result in a distribution that will be taxable to you. The Trustees anticipate, however, that there will be sufficient loss carryovers to offset any net gain recognized by your fund as a result of securities dispositions.

Further, as noted above, after the Meeting but prior to the Closing Date, your fund will call for redemption and redeem all of its outstanding AMPS. Holders of AMPS will recognize gain or loss equal to the difference between the amount realized on the redemption and the shareholder's tax basis in the shares redeemed.

Who Bears the Expenses Associated with the Merger

Your fund will bear the costs of preparing and printing the Proxy Statement/Prospectus and the solicitation costs incurred in connection with the Merger. Your fund also will bear its own costs in connection with the Merger, including the costs associated with redeeming AMPS and the costs of liquidating portfolio securities as described herein, and other redemptions anticipated in

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connection with the Merger. The Board estimates that these expenses in the aggregate will be approximately \$200,000.

What Happens if the Merger is Not Approved

If the required approval of shareholders of your fund is not obtained, the meeting may be adjourned as more fully described in this Proxy Statement/Prospectus, your fund will continue to engage in the business as a closed-end fund and the Board will consider what further action may be appropriate.

Who is Eligible to Vote?

Shareholders of record on July 7, 2008 are entitled to attend and vote at the meeting or any adjourned meeting. Each share is entitled to one vote. Holders of common shares and AMPS will vote as separate classes on the proposal. Approval by a majority of holders of common shares and majority of holders of AMPS, voting separately, is required to approve the Agreement and Plan of Merger. Shares represented by properly executed proxies, unless revoked before or at the Meeting, will be voted according to shareholders' instructions. If you sign a proxy but do not fill in a vote, your shares will be voted to approve the Agreement and Plan of Merger. If any other business comes before the meeting, your shares will be voted at the discretion of the persons named as proxies.

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PIONEER MUNICIPAL AND EQUITY INCOME TRUST
AND
PIONEER TAX FREE INCOME FUND

SUMMARY

The following is a summary of more complete information appearing later in this Proxy Statement/Prospectus or incorporated herein. You should read carefully the entire Proxy Statement/Prospectus, including the form of Agreement

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and Plan of Merger attached as Exhibit A, because they contain details that are not in the summary.

If Proposal 1 is approved, your fund will be merged with and into Pioneer Tax Free Income Fund, as described in this Proxy Statement/ Prospectus.

Both your fund and Pioneer Tax Free Income Fund invest in municipal securities that provide income that is exempt from regular federal income tax. The portion of your fund's portfolio invested in municipal securities is similar in many respects to Pioneer Tax Free Income Fund, including overall credit quality, maturity distribution and sector weights. However, unlike Pioneer Tax Free Income Fund, your fund invests at least 25%, and may invest up to 50%, of its total assets in equity securities. Prior to the Closing Date, your fund will sell the non-municipal securities in its portfolio.

Your fund, unlike Pioneer Tax Free Income Fund, uses investment leverage through the issuance of AMPS. Your fund has currently issued AMPS with an aggregate liquidation preference of approximately 32% of the fund's total assets. In contrast, Pioneer Tax Free Income Fund does not use leverage in its investment strategy and as an open-end fund is not permitted to issue AMPS. After the Meeting but prior to the Closing Date, your fund will call for redemption and redeem all of its outstanding AMPS.

Your fund is subject to additional risks (and the potential higher or lower returns) associated with its equity investments and use of leverage.

Your fund, unlike Pioneer Tax Free Income Fund, is a closed-end management investment company, which means that shareholders do not have the right to redeem or exchange their shares. Instead, shareholders of your fund must sell their common shares on the NYSE at the prevailing market price. Market prices can be expected to deviate from the net asset value per share of your fund. Your fund's common shares generally have traded at a discount to net asset value over the past two years ended February 29, 2008, ranging from (3.02)% (high) to (17.25)% (low). Pioneer Tax Free Income Fund is an open-end management investment company, which means that it issues redeemable securities on an ongoing basis and pays its shareholders the net asset value of such shares upon redemption. A more complete discussion of these differences is provided under the heading, "Comparison of a Closed-End Fund and an Open-End Fund."

Comparison of Pioneer Municipal and Equity Income Trust to Pioneer Tax Free Income Fund

The table below provides a more detailed comparison of the two funds. In the table below, if a row extends across the entire table, the policy disclosed applies to both your fund and Pioneer Tax Free Income Fund.

	Pioneer Municipal and Equity Income Trust	Pioneer Tax Free
Business	A diversified closed-end management investment company organized as a Delaware statutory trust.	A diversified open-end management investment company organized as a Delaware statutory trust.
Net assets (as of March 31, 2008)	\$548 million - \$372 million of which is attributable to common assets, \$176 million of which is attributable to preferred assets - \$301 million of which is attributable to	\$505.5 million

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municipal securities, \$241 million of which is attributable to equity securities

Investment adviser and portfolio manager

Investment Adviser:
Pioneer Investment Management, Inc. ("Pioneer")

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Pioneer Municipal and Equity Income Trust

Pioneer Tax Free

Portfolio Managers:

Day-to-day management of the fund's portfolio of municipal securities is the responsibility of a team of fixed income portfolio managers led by Kenneth J. Taubes. The team, which also includes David Eurkus and Timothy Pynchon, manages other Pioneer funds investing primarily in fixed income securities.

Mr. Taubes is responsible for overseeing Pioneer's fixed income team. Mr. Taubes joined Pioneer as a senior vice president in September 1998 and has been an investment professional since 1982. Prior to joining Pioneer, Mr. Taubes had served since 1991 as a senior vice president and senior portfolio manager for several institutional accounts and mutual funds at another investment adviser. Mr. Eurkus joined Pioneer as a senior vice president in 2001 and has been an investment professional since 1969. Mr. Pynchon joined Pioneer as a vice president in 2000 and has been an investment professional since 1982.

Day-to-day management of the fund's portfolio of equity securities is the responsibility of a team of domestic equity portfolio managers led by John A. Carey. The team manages other Pioneer funds investing primarily in U.S. equity securities.

John A. Carey is the director of portfolio management and an executive vice president of Pioneer. Mr. Carey joined Pioneer as an analyst and has been an investment professional since 1979.

The equity team also includes Walter Hunnewell, Jr., a vice president of Pioneer. Mr. Hunnewell joined Pioneer in August 2001 and has been an investment professional since 1985. Prior to joining Pioneer, Mr. Hunnewell was an independent investment manager and a

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fiduciary of private asset portfolios from 2000 to 2001. He was a global equity analyst with Putnam Investment from 1994 to 1999.

Investment objective

The fund's investment objective is to provide a high level of total after-tax return, including attractive tax-advantaged income.

The fund's investment objective is to provide as high a level of total return as possible, net of federal income taxes, while maintaining the principal with the preservation of

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Pioneer Municipal and Equity Income Trust

Pioneer Tax Free Income Fund

Primary investments

Under normal market conditions, the fund invests in a portfolio consisting primarily of (i) municipal securities and (ii) common stocks and preferred securities that pay tax-qualified dividends.

Municipal Securities

The fund invests at least 50%, and may invest up to 75%, of its total assets in municipal securities. The fund is not limited in the portion of its municipal securities portfolio that may be invested in municipal securities the interest income on which is a preference item for purposes of the alternative minimum tax (AMT).

The fund may invest in municipal securities with a broad range of maturities and credit ratings, including both investment grade and below-investment grade municipal securities.

Duration. The average duration of the fund's portfolio of municipal securities ranges from five years to 12 years; however, Pioneer is not restricted as to such range if Pioneer determines a shorter or longer average duration is in the best interests of the fund in light of market conditions at such times.

Credit Management. The fund may invest in municipal securities with a broad range of credit ratings, including both investment grade and below-investment grade municipal securities. The fund may invest in high yield municipal securities of any rating, including securities that are in default at the time of purchase.

The fund's investments in revenue obligations emphasizes municipal securities backed by revenue from essential services, such as

Normally, the fund invests in its total assets in municipal securities that are not subject to regular federal income taxes. These investments include other debt instruments of states, counties, territories and the District of Columbia and the District of Columbia authorities, political subdivisions or instrumentalities.

The fund may invest in securities with a maturity of up to 30 years. The fund's assets in its portfolio are derived from the municipal bond market. The fund may invest up to 20% of its assets in municipal bonds.

The fund's investments include variable principal rate payments, including fixed floating rate, zero-coupon, deferred and payable-in-kind features. The fund may invest in instruments that have a positive or negative amortization. Investments in zero-coupon securities paying currently accruing interest on the features make them more affordable to the investor if they increase their value. The fund may be unable to make a payment or payment at the maturity of the

hospitals and healthcare, power generation, transportation, education and housing. The fund will not invest 25% or more of its assets in municipal securities backed by revenues in the same industry.

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Pioneer Municipal and Equity Income Trust

Pioneer Tax Free

Equity Investments

The fund invests at least 25%, and may invest up to 50%, of its total assets in equity securities. A substantial portion of the equity allocation is invested in securities that Pioneer believes qualify to pay tax-qualified dividends. Investments in equity securities that do not qualify to pay tax-qualified dividends and non-municipal debt securities are not a principal investment strategy.

Pioneer retains broad discretion to allocate this portion of the fund's investments between common and preferred stocks. The fund is not limited either in the types of equity securities or the market capitalization of issuers in which it may invest. Although the fund ordinarily focuses its equity investments in securities of U.S. issuers, subject to the limitation of the fund's investments in equity securities and its focus on equity securities that pay tax-qualified dividends, the fund may invest in American Depositary Receipts ("ADRs") and in other securities of foreign issuers located in any geographic region, including securities of issuers based in developing or "emerging market" countries. The fund does not concentrate its investments in a particular industry but is not precluded from focusing investments in issuers in a group of industries in related sectors (such as different types of utilities industries).

Tax-qualified dividends generally include dividends from domestic corporations and dividends from foreign corporations that meet certain specified criteria. The fund generally can pass through the tax treatment of tax-qualified dividends it receives from such corporations to its shareholders. For the fund to receive tax-qualified dividends generally, the fund must hold the otherwise

qualified stock for more than 60 days during the 120-day period beginning 60 days before the ex-dividend date (or, in the case of preferred stock, more than 90 days during the 180-day period beginning 90 days before the ex-dividend date).

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Pioneer Municipal and Equity Income Trust

Pioneer Tax Free

Investment strategies

Pioneer Investment Management, Inc., the fund's investment adviser, considers both broad economic factors and issuer specific factors in selecting investments designed to achieve the fund's investment objective. In assessing the appropriateness of maturity and rating weighting of the fund's portfolio, Pioneer considers a variety of factors that are expected to influence economic conditions and interest rates. These factors include fundamental economic indicators such as the rates of economic growth and inflation, Federal Reserve monetary policy and the relative value of the U.S. dollar compared to other currencies. Pioneer determines the preferable portfolio characteristics, Pioneer selects individual securities based upon the terms of the securities (such as yield compared to U.S. Treasuries or comparable issues), liquidity and issuer diversification. Pioneer also employs fundamental research on the issuer based on its financial statements and operations, the issuer's credit quality, taking into account financial condition, industry conditions, needs and potential for change in rating.

In making these portfolio decisions, Pioneer relies on the knowledge and judgment of its staff and the staff of its affiliates who have access to a wide variety of research.

Pioneer uses a value approach in selecting investments for the fund's equity investments. Using this investment style, Pioneer seeks securities selling at substantial discounts to their underlying values and then holds these securities until the market values reflect their intrinsic values. Pioneer evaluates a security's potential value, including the attractiveness of its market valuation, based on the company's assets and prospectus for earnings growth. Pioneer also considers a security's potential to provide a reasonable amount of income. In making these assessments, Pioneer employs due diligence and fundamental research, an evaluation of the issuer based on its financial statements and operations, employing a bottom-up analytic style. Pioneer relies on the knowledge, experience and judgment of its staff who have access to a wide variety of research. Pioneer focuses on the quality and price of individual issuers, not on economic sector or market-timing strategies. In selecting investments, Pioneer considers various factors, including:

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- o favorable expected returns relative to perceived risk;
- o management with demonstrated ability and commitment to the company;
- o low market valuations relative to earnings forecast, book value, cash flow and sales; and
- o dividend growth prospects.

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Pioneer Municipal and Equity Income Trust

Pioneer Tax Free

Other Tax Management Strategies

The fund also seeks to achieve favorable after-tax returns in part by reducing the capital gains taxes incurred by shareholders in connection with the fund's portfolio investments. Pioneer attempts to minimize distributions of long-term capital gains taxable to shareholders by avoiding, to the extent consistent with its investment objective, the sale of securities with large accumulated capital gains.

Pioneer may sell securities to realize capital losses that can be used to offset realized gains. To protect against price declines in securities holdings with large accumulated gains, the fund may use various hedging techniques (such as the purchase and sale of futures contracts on securities and securities indices and options thereon, the purchase of put options and the sale of call options on securities held, equity swaps, covered short sales, forward sales of securities and the purchase and sale of forward currency exchange contracts and currency futures). By using these techniques rather than selling appreciated securities, the Fund may, subject to certain limitations, attempt to reduce its exposure to price declines in the securities without realizing substantial capital gains under current tax law. There is no assurance that the fund will use these strategies or that they will be successful if used.

Other investments -- Taxable investments

In addition to investing in municipal securities and equity securities that pay tax-qualified dividends, the fund may invest in other securities, including debt instruments, real estate investment trusts ("REITs") and equity securities, that generate income taxable at ordinary income, rather than long-term capital gain, rates.

The fund may invest assets in taxable investment companies, commercial paper, U.S. or foreign repurchase agree

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Although the fund invests primarily in municipal securities and equity securities that pay tax-qualified dividends and to satisfy the holding period requirements, a portion of the fund's income distributions may be taxable as ordinary income.

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	Pioneer Municipal and Equity Income Trust	Pioneer Tax Free
Derivatives	<p>The fund may, but is not required to, use futures and options on indices and other derivatives. A derivative is a security or instrument whose value is determined by reference to the value or the change in value of one or more securities, indices or other financial instruments. Although subject to a specific limitation on investing in derivatives, the fund does not use derivatives as a primary investment technique and generally limits its use to hedging. However, the fund may use derivatives for a variety of purposes, including:</p> <ul style="list-style-type: none"> o As a hedge against adverse changes in the market prices of securities or interest rates o As a substitute for purchasing or selling securities o To increase the fund's return as a non-hedging strategy that is not considered speculative <p>Derivatives may be subject to market risk, interest rate risk and credit risk. The fund's use of certain derivatives may, in some cases, involve the use of financial leverage, which involves risk and may increase the volatility of the fund's net asset value. Even a small investment in derivatives can have a significant impact on the fund's investment exposure to the market. Changes in securities or interest rates. Therefore, using derivatives can disproportionately increase losses and reduce opportunities for gains. Changes in a derivative's value do not correspond to changes in the value of other investments or do not correlate well with the underlying asset or index, the fund may not fully benefit from or could lose money on its investment position. In addition, some derivatives involve risk of loss if the issuer of the derivative defaults on its obligation. Certain derivatives may be illiquid. Some derivatives may involve the risk of improper valuation which may reduce the returns of the fund if it cannot sell or terminate the investment at an advantageous time or price. The fund will only invest in derivatives to the extent Pioneer believes these investments do not prevent the fund from achieving its investment objective, but derivatives may not perform as intended. Derivatives may not be available in all circumstances or at reasonable prices and may not be used by the fund for a variety of reasons.</p>	
Illiquid Investments	The fund may invest up to 20% of its total assets in illiquid securities.	The fund may invest up to 20% of its total assets in illiquid securities that are not readily
Below investment grade securities	The fund will not invest more than 15% of its total assets in fixed income securities, including municipal securities, rated below investment grade at the time of acquisition	The fund may invest up to 15% of its total assets in debt securities below investment grade or equivalent quality

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(that is, rated Ba or lower by Moody's or BB or lower by S&P or, if unrated, determined by Pioneer to be of comparable credit quality).

The fund may invest in "D" or better, or securities.

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Pioneer Municipal and Equity Income Trust

Pioneer Tax Free

Collateralized debt obligations

The fund may invest in securities issued as trusts, that financial assets collateralized debt include collateral (CBOs), collateral (CLOs) and other securities. A CD of fixed income typically is split into called tranches, and yield. Lower rates but represent quality and are defaults in the risks of an investment largely on the trust obligations (e.g. may decline in quality tranche of the C (e.g., the fund CDO that is subordinated Investments in C the fund as illiquid difficult to sell price.

Inverse floating rate obligations

The fund may invest in assets in inverse (a type of derivative floating rate obligation in tax-exempt bonds inverse floating rate generally decrease rates increase, rates decrease. structure, the sensitivity value of an investment to changes in interest greater than a coupon issued by the same similar credit quality maturity provisions obligations may leverage risk.

Pioneer Municipal and Equity Income Trust		Pioneer Tax Free
Cash management and temporary investments		Normally, the fund invests a portion of its assets to meet its primary investment objective. The fund invests a portion of its assets in securities with maturities of less than one year, or equivalents, or in securities for defensive purposes. In the event of unusual cash requirements, the fund may invest part or all of its assets in securities or maturities of less than one year, or equivalents, or in securities for defensive purposes. In the event of unusual cash requirements, the fund may invest part or all of its assets in securities or maturities of less than one year, or equivalents, or in securities for defensive purposes. In the event of unusual cash requirements, the fund may invest part or all of its assets in securities or maturities of less than one year, or equivalents, or in securities for defensive purposes.
Short-term trading		The fund usually invests in short-term profit-making investments, however, it may hold for a short period securities that the fund's investment manager believes will do a lot of trading. The fund's investment manager may receive additional operational charges to reduce performance. Shareowners to invest in taxable income.
Fees and Expenses		
Sales charges and fees	Shares purchased on the secondary market are not subject to sales charges but may be subject to brokerage commissions or other charges.	Class A shares have an initial charge with an initial charge of the offering price or waived for certain types of your purchase. You may receive a portion of the fund's distribution if you are a declining asset holder. Municipal and equity income fund will not be charge.

Pioneer Municipal and Equity Income Trust

Pioneer Tax Free

Buying, Selling and Exchanging Shares

Buying shares

Shares of your fund are listed on the NYSE and may be purchased in the secondary market through an authorized broker and subject to brokerage commission or other fees charged by such broker.

Your fund does not issue new shares except in connection with its dividend reinvestment plan.

You may buy shares that has a sales fund's distribut offering price. own to purchase that Pioneer, in determines that with the fund's its acquisition the fund.

If you have an e account, you may by telephone or use the telephon

Minimum initial investment

Not applicable. See "Buying Shares" above.

Your initial inv \$1,000 for Class investments must shares. You may subsequent inves opening a retire establishing an placing your tra firm.

Exchanging shares

Not applicable. See "Buying Shares" above.

You may exchange shares of the sa mutual fund. You for at least \$1, you to exchange value without ch or contingent de time of the exch part of an excha subject to any c charge that appl originally purch sell your shares purchase will de deferred sales c is treated as a shares for feder A shares receive Municipal and Eq connection with subject to a con charge.

After you establ you can exchange

	Pioneer Municipal and Equity Income Trust	Pioneer Tax Free
Selling shares	Shares of your fund are listed on the NYSE and may be sold in the secondary market through an authorized broker at the market value.	Your shares will per share next c receives your re shares you are s deferred sales c from the sale pr If you have an e account, you may account per day may sell shares retirement plan your account is penalties may ap
Net asset value	Each Pioneer Fund's net asset value is the value of its portfolio plus any other assets minus its operating expenses and any other. Each Pioneer Fund calculates a net asset value for each class of day the New York Stock Exchange is open when regular trading clos 4:00 p.m. Eastern time).	You buy or sell When you buy Cla initial sales ch waiver or reduce Class A shares, deferred sales c you have owned y shares that the Pioneer Municipa will receive in will not be subj charge or a cont

Comparison of Principal Risks of Investing in the Pioneer Funds

Each Pioneer Fund is subject to similar principal risks. You could lose money on your investment in each Pioneer Fund or not make as much as if you invested elsewhere if:

- o Interest rates go up, causing the value of the fund's investments to decline. This is known as interest rate risk (this risk may be greater for securities with longer maturities)
- o The issuer of a security owned by the fund fails to pay principal and/or interest, otherwise defaults or is perceived to be less creditworthy, the security's credit rating is downgraded, or the

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credit quality of any underlying assets declines. This is known as credit risk. This risk is greater for high yield securities than for securities of higher credit quality

- o New federal or state legislation or other developments adversely affects the tax-exempt status of securities held by the fund or the financial ability of municipalities to repay these obligations
- o The issuer of a security owned by the fund may not be able to make timely payments because of a general economic downturn or increased governmental costs
- o To the extent the fund concentrates its investments in a single state or securities the payments on which are dependent upon a single industry, the fund will be more susceptible to risks associated with that state or industry
- o Pioneer is incorrect in its expectation of changes in interest rates or the credit quality of an issuer

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Although distributions of interest income from each Pioneer Fund's tax-exempt securities are generally exempt from federal income tax, distributions from other sources, including capital gain distributions, and any gains on the sale of your shares, are not. You should consult a tax adviser about whether the alternative minimum tax applies to you and about state and local taxes on your fund distributions.

To the extent that a Pioneer Fund emphasizes, from time to time, investments in a market segment, the fund will be subject to a greater degree to the risks particular to the industries in that segment, and may experience greater market fluctuation, than a fund without the same focus.

Additional Principal Risks of Investing in Pioneer Municipal and Equity Income Trust

Shareholders of your fund are subject to the following additional risks as a result of the fund's equity investments:

- o Common Stock Risk. The common stocks and other equity securities in which your fund invests may experience substantial volatility in their market value. Although common stocks typically provide higher returns than debt securities, they are also more susceptible to adverse changes in market value due to issuer-specific events, such as unfavorable earnings reports, negative press releases and market related news. The market values of common stocks are also sensitive to changes in investor perceptions as well as general movements in the equities markets. Common stock holders are also subordinate to debt holders and other senior security holders in an issuer's capital structure, and a common stock may not have any value in the event the issuer declares bankruptcy or is subject to the claims of creditors if the value of the issuer's assets does not exceed the issuer's liabilities. Common stock prices may be sensitive to rising interest rates, as the costs of capital or borrowing increase. Common stocks are also subject to the general risks of the issuer's industry, sector, geographic region and market capitalization.
- o Value Investing Risk. Your fund focuses its equity investments on dividend-paying common and preferred stocks that Pioneer believes are undervalued or inexpensive relative to other investments. Such

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securities are subject to the risk of mis-estimation of certain fundamental factors. In addition, during certain time periods market dynamics may favor "growth" stocks of issuers that do not display strong fundamentals relative to market price based upon positive price momentum and other factors.

Because your fund is a closed-end fund that uses leverage, shareholders of the fund are subject to the following additional risks:

- o Market Discount Risk. Because your fund is a closed-end fund, it is subject to the risk that its shares may trade at prices lower than net asset value. This is a risk that is not applicable to open-end funds, such as Pioneer Tax Free Income Fund, because shares of open-end funds are not traded on a secondary market and are redeemable at their net asset value on any day the NYSE is open. A more complete discussion on these differences is provided under the heading, "Comparison of a Closed-End Fund and an Open-End Fund."
- o Leveraging Risk. Your fund uses investment leverage through the issuance of AMPS. Your fund has currently issued AMPS with an aggregate liquidation preference of approximately 32% of the fund's total assets. Your fund is also authorized to borrow or issue debt securities for leveraging purposes up to such limitation and in excess of such limitation for temporary purposes, such as the settlement of transactions. In contrast, Pioneer Tax Free Income Fund does not use leverage in its investment strategy and, as an open-end fund, is not permitted to issue AMPS.

Leverage creates risks which may adversely affect the return for the holders of common shares of your fund, including:

- o the likelihood of greater volatility of net asset value and market price of and dividends on the fund's common shares;
- o fluctuations in the dividend rates on any AMPS or in interest rates on borrowings and short-term debt;
- o increased operating costs, which are borne entirely by the fund's common shares and which may reduce the total return on the Fund's common shares; and
- o the potential for a decline in the value of an investment acquired with leverage, while the fund's obligations as a result of such leverage remain fixed.

To the extent the income or capital appreciation derived from securities purchased with funds received from leverage exceeds the cost of leverage, the fund's return will be greater than if leverage had not been used. Conversely, if the income or capital appreciation from the securities purchased with such funds is not sufficient to cover the cost of leverage or if the fund's assets decline in value, the return of the fund will be less than if leverage had not been used, and therefore the amount available for distribution to shareholders as dividends and other distributions will be reduced or potentially eliminated.

The dividend rates for your fund's AMPS are reset in auctions conducted every seven or 28 days. Recently, the credit markets have experienced increased volatility and significantly reduced availability of capital, which have led many of the auctions of auction rate securities, including

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the auctions of your fund's AMPS, to fail. Upon auction failure, the dividend rate for the next succeeding dividend period is set according to a pre-determined formula, and the resulting rate is higher than the rate which the fund otherwise would pay as a result of a successful auction. Higher dividend rates on the AMPS, which may be indefinite in duration, may reduce the amount of the distributions the fund pays to the holders of its common shares. Alternative forms of leverage have different features and costs.

Investment in AMPS of your fund are subject to certain special risk considerations, including:

Liquidity Risk. Liquidity risk is the possibility that holders of AMPS might be unable to redeem their shares at an auction. Historically, the auctions have provided a means of liquidity to investors wishing to sell their AMPS. An auction is deemed to "fail" if some portion of the preferred shares that were offered for sale at a particular auction were not matched with buyers. Recently, auctions of AMPS have failed as a result of developments in the credit markets.

- o When an auction fails, holders of AMPS will not be able to sell some or all of their shares. This situation may continue for a prolonged period of time.
- o Because of the nature of the market for AMPS, holders of AMPS may receive less than the price they paid for their AMPS if the AMPS are sold outside of the auction, especially when market interest rates are rising. A market outside the auction may not be available.
- o A rating agency could, at any time, downgrade or withdraw its rating assigned to the AMPS without prior notice to the fund or shareholders. Any downgrading or withdrawal of rating could affect the liquidity of the AMPS in an auction.

Credit Risk. If interest rates rise, the value of the fund's investment portfolio will decline, reducing the asset coverage for the AMPS. Consequently, holders of AMPS could get back less than the par value of their shares.

Redemption. The fund may be forced to redeem AMPS to meet regulatory or rating agency requirements or may voluntarily redeem AMPS in certain circumstances.

Dividends. In certain circumstances, the fund may not earn sufficient income from its investments to pay dividends on the AMPS.

The Pioneer Funds' Fees and Expenses

Shareholders of both Pioneer Funds pay various fees and expenses, either directly or indirectly. The tables below show the fees and expenses that you would pay if you were to buy and hold shares of each Pioneer Fund. The expenses in the tables appearing below are based on (i) for your fund, the expenses of common shares your fund for the twelve-month period ended November 30, 2007, and (ii) for Pioneer Tax Free Income Fund, the expenses of Class A shares of Pioneer Tax Free Income Fund for the twelve-month period ended December 31, 2007. Future expenses for all share classes may be greater or less. The tables also show the pro forma expenses of the combined fund assuming the Merger occurred on December 31, 2007.

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	Pioneer Municipal and Equity Income Trust (12 months ended November 30, 2007)	Pioneer Tax Free Income Fund (12 months ended December 31, 2007)
Shareholder transaction fees (paid directly from your investment)	Common Shares	Class A
Maximum sales charge (load) when you buy shares as a percentage of offering price	None (1)	4.50%
Maximum deferred sales charge (load) as a percentage of offering price or the amount you receive when you sell shares, whichever is less	None (2)	None (4)
Dividend reinvestment plan fees	None (2)	None
Redemption fee as a percentage of amount redeemed, if applicable	None (3)	None
Annual Fund operating expenses (deducted from fund assets) as a % of average daily net assets		
Management Fee	0.83% (5)	0.48% (7)
Distribution and Service (12b-1) Fee	None (1)	0.25%
Other Expenses	0.43%	0.16% (7)
Total Annual Fund Operating Expenses (6)	1.26%	0.89% (7)
Less: Fee Waiver and Expense Limitations	0.00%	0.00%
Net Expenses	1.26%	0.89% (7)

The hypothetical examples below help you compare the cost of investing in each Pioneer Fund. It assumes that: (a) you invest \$10,000 in each Pioneer Fund for the time periods shown, (b) you reinvest all dividends and distributions, (c) your investment has a 5% return each year, (d) each Pioneer Fund's total operating expenses remain the same and (e) Pioneer's contractual expense limitation for the combined Pioneer Tax Free Income Fund's Class A shares is in effect through year three. Pro forma expenses are included assuming a Merger with your fund and Pioneer Tax Free Income Fund. The examples are for comparison purposes only and are not a representation of either fund's actual expenses or returns, either past or future.

Number of years you own your shares	Pioneer Municipal and Equity Income Trust	Pioneer Tax Free Income Fund
Class A -- assuming redemption at end of period		
Year 1	\$ 128	\$ 537
Year 3	\$ 400	\$ 721
Year 5	\$ 692	\$ 921
Year 10	\$1,523	\$1,497
Class A -- assuming no redemption		
Year 1	\$ 128	\$ 537
Year 3	\$ 400	\$ 721
Year 5	\$ 692	\$ 921
Year 10	\$1,523	\$1,497

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- (1) Shares of your fund purchased on the secondary market are not subject to sales charges, deferred sales charges (or 12b-1 fees) but may be subject to brokerage commissions or other charges. The table does not reflect the underwriting commission paid by your fund's shareholders in connection with the initial offering of common shares.
 - (2) A shareholder that directs the dividend reinvestment plan agent to sell shares held in a dividend reinvestment account will pay brokerage charges.
 - (3) Shares of your fund are not redeemable, and any sales of shares must be effected in the secondary market.

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- (4) Class A purchases of \$1 million or more and purchases by participants in certain group plans are not subject to an initial sales charge but may be subject to a contingent deferred sales charge of 1%.
- (5) Pioneer's annual fee is equal to 0.60% of your fund's average daily managed assets. "Managed assets" is the average daily value of your fund's total assets minus the sum of the your fund's liabilities, which liabilities exclude debt related to leverage, short-term debt and the aggregate liquidation preference of any outstanding AMPS. For the year ended, November 30, 2007, the net management fee was 0.60% of your fund's average daily managed assets, which was equivalent to 0.83% of the Trust's average daily net assets attributable to common shareowners.
- (6) Each Pioneer Fund's total annual operating expenses in the table have not been reduced by any expense offset arrangements.
- (7) Fees and expenses of Pioneer Tax Free Income Fund have been restated to reflect current fees.
- (8) If shareholders of your fund approve the Merger, Pioneer will contractually agree to limit the combined fund's ordinary operating expense to the extent required to reduce the combined fund's expenses to 0.89% of the average daily net assets attributable to Class A shares of the combined fund. This expense limitation would be in effect for three years from the date of the Merger. There can be no assurance that Pioneer will extend the expense limitations beyond such time.

Comparison of each Pioneer Fund's Performance

The following table shows your fund's highest and lowest NYSE market price per share for each quarter over the past two fiscal years and the quarters ended February 29, 2008 and May 31, 2008. Also included in the table is the net asset value per share of your fund on that date and the percentage discount or premium to net asset value (expressed as a percentage) that the sales price represents.

Quarter Ended	NYSE Market Price*		Net Asset Value		(Discount)/Premium Percentage	
	High	Low	High	Low	High	Low
February 28, 2006	\$12.87	\$12.05	\$15.24	\$14.53	(14.91)%	(18.35)%

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May 31, 2006	\$12.91	\$12.21	\$15.28	\$14.64	(14.86)%	(16.68)%
August 31, 2006	\$13.05	\$12.25	\$15.45	\$14.66	(15.08)%	(17.25)%
November 30, 2006	\$14.00	\$13.00	\$16.17	\$15.39	(13.42)%	(15.67)%
February 28, 2007	\$14.55	\$13.87	\$16.43	\$16.08	(10.46)%	(14.54)%
May 31, 2007	\$15.25	\$14.32	\$16.64	\$16.15	(7.70)%	(11.75)%
August 31, 2007	\$15.26	\$12.97	\$16.50	\$14.76	(6.11)%	(12.13)%
November 30, 2007	\$14.58	\$13.22	\$15.64	\$14.46	(5.57)%	(10.13)%
February 29, 2008	\$14.03	\$12.56	\$14.82	\$12.97	(3.02)%	(9.61)%
May 31, 2008	\$12.99	\$11.60	\$13.44	\$12.76	(2.11)%	(9.18)%

As of June 30, 2008, your fund had a market value per share of \$[] and a net asset value per share of \$[], resulting in a []% discount to net asset value.

* Market price refers to the inter-dealer price, without retail mark-up, mark-down or commission, and may not necessarily represent actual transactions.

The following charts provide some indication of the risk of investing in your fund or Pioneer Tax Free Income Fund by showing changes in each fund's performance from year to year and by showing how each fund's average annual returns for 1, 5 and 10 years compare with those of a broad measure of market performance.

The bar charts show the year-by-year performance of common shares of Pioneer Municipal and Equity Income Trust and Class A shares of Pioneer Tax Free Income Fund for the past 10 calendar years or since inception if less than 10 years. The chart does not reflect any sales charge you may pay when you buy or sell Pioneer Fund shares. Any sales charge will reduce your return.

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The table below shows the average annual total returns for Pioneer Municipal and Equity Income Trust (at net asset value and at market price) and average annual total returns (before and after taxes) for Pioneer Tax Free Income Fund's Class A shares over time, each compared with a broad-based securities market index.

Past performance (before and after taxes) does not indicate future results.

Pioneer Municipal and Equity Income Trust's Annual Returns -- Common Shares*
(Years ended December 31)

[THE FOLLOWING DATA IS A REPRESENTATION OF A BAR CHART IN THE PRINTED MATERIAL]

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'06	14.36
'07	-5.14

* During the period shown in the bar chart, Pioneer Municipal and Equity Income Trust's highest quarterly return was 6.70% for the quarter ended September 30, 2006, and the lowest quarterly return was (4.75)% for the quarter ended December 31, 2007. For the period from January 1, 2008 to June 30, 2008, Pioneer Municipal and Equity Income Trust's return was []%.

Pioneer Tax Free Income Fund's Annual Returns -- Class A Shares*
(Years ended December 31)

[THE FOLLOWING DATA IS A REPRESENTATION OF A BAR CHART IN THE PRINTED MATERIAL]

'98	6.20
'99	-4.29
'00	11.63
'01	4.13
'02	7.06
'03	5.80
'04	4.76
'05	4.05
'06	5.31
'07	-1.23

* During the period shown in the bar chart, Pioneer Tax Free Income Fund's highest quarterly return was 4.84% for the quarter ended December 31, 2000, and the lowest quarterly return was (3.38)% for the quarter ended June 30, 2004. For the period from January 1, 2008 to June 30, 2008, Pioneer Tax Free Income Fund's return was []%

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Average Annual Total Returns
(for periods ended December 31, 2007)

Pioneer Municipal and Equity Income Trust

Common Shares -- (at net asset value before taxes) (1)

Common Shares -- (at market value before taxes) (1)

Lehman Brothers Municipal Bond Index (reflects no deduction for taxes) (2)

Standard & Poor's 500 Stock Index (reflects no deduction for taxes) (2)

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	1 Year	5 Years
Pioneer Tax Free Income Fund		
Class A -- Before Taxes	(5.65)%	2.75%
Class A -- After Taxes on Distribution(3)	(5.68)%	2.73%
Class A -- After Taxes on Distributions and Sale of Fund Shares(3)	(2.31)%	2.98%
Lehman Brothers Municipal Bond Index (reflects no deduction for taxes) (4)	3.36%	4.30%

- (1) The average annual total returns reflect reinvestment of all dividends and distributions. Distributions are assumed, for this calculation, to be reinvested at prices obtained under the dividend reinvestment plan. The performance does not reflect any brokerage commissions associated with the purchase or sale of the common shares on the NYSE, any underwriting spread or sales charges paid in Pioneer Municipal and Equity Income Trust's initial public offering of its common shares or the deduction of taxes a shareholder would pay on distributions or the sale of common shares.
- (2) The Lehman Brothers Municipal Bond Index is a broad measure of the municipal bond market. The Standard & Poor's 500 Stock Index (the S&P 500) is a commonly used measure of the broad U.S. stock market. Unlike the fund, the indexes are not managed and do not incur fees, expenses or taxes. You cannot invest directly in an index.
- (3) After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on the investor's tax situation and may differ from those shown. Furthermore, the after-tax returns shown are not relevant to shareholders who hold a Pioneer Fund's shares through tax-deferred arrangements such as 401(k) plans or individual retirement accounts.
- (4) The Lehman Brothers Municipal Bond Index is a broad measure of the municipal bond market. Unlike the fund, the index is not managed and does not incur fees, expenses or taxes. You cannot invest directly in an index. The table reflects sales charges applicable to the class, assumes that you sell your shares at the end of the period and assumes that you reinvest all of your dividends and distributions.
- (5) Since December 31, 1979. Index return information is not available for prior periods.

The most recent portfolio management discussion of each Pioneer Fund's performance is attached as Exhibit B.

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Other Investment Policies

In addition to the principal investment policies described above, each Pioneer Fund is subject to the following fundamental investment restrictions. These restrictions may not be changed without the approval of the holders of a majority of the fund's outstanding voting securities (as defined in the 1940 Act) (a "1940 Act Majority"). A 1940 Act Majority means the lesser of (i) 67% of the shares represented at a meeting, if the holders of more than 50% of the outstanding shares are present in person or by proxy, or (ii) more than 50% of the outstanding shares of the fund. With respect to your fund, the investment restrictions cannot be changed without the approval of a 1940 Act Majority of the outstanding common shares and AMPS, voting together as a class, and the approval of a 1940 Act Majority of the outstanding AMPS, voting separately.

	Pioneer Municipal and Equity Income Trust	Pioneer Tax Free Income Fund
Borrowing	The fund may not borrow money, except as permitted by applicable law, as amended and interpreted or modified from time to time by any regulatory authority having jurisdiction.	The fund may not borrow money permitted by (i) the 1940 Act interpretations or modifications of the Securities and Exchange Commission ("SEC"), SEC staff or other authority of competent jurisdiction, or (ii) any other relief or permission from the SEC staff or other authority of competent jurisdiction.
Underwriting	The fund may not act as an underwriter, except insofar as the fund technically may be	The fund may not engage in the business of underwriting