Pioneer Bond Fund

Performance Analysis and Commentary

December 2011

Fourth Quarter Review

- The Fund's Class A shares returned 0.81% at net asset value in the fourth quarter, while the Fund's benchmark, the Barclays Capital Aggregate Bond Index (the Barclays Index), returned 1.12%.

- Non-agency mortgages were the main detractor from the Fund's relative returns from a sector allocation perspective. They cost the portfolio –11 basis points (bps) as that segment of the market continued to languish, in part because it is dominated by floating-rate securities.

- Treasuries, which compose approximately 35% of the benchmark Barclays Index, lagged during the quarter as investors were more willing to put assets to work in risk-related sectors, such as corporate bonds and equities. The Fund finished December with 8% of its market value invested in Treasuries, a 27% underweight that added 5 bps to benchmark-relative returns.

Improving economic data in the U.S., including gross domestic product (GDP) growth estimated to be better than originally thought, was fueled by stronger-than-expected consumption in the fourth quarter, as the economy overcame ongoing concerns about the eurozone crisis. Risk markets rallied during the quarter, particularly in the U.S., as the Standard & Poor's 500 Index (the S&P 500) returned 11.80% over the three months ended December 31, 2011. Consumption, along with consumer confidence, improved during the fourth quarter, buoyed by stronger employment data: weekly unemployment claims had declined to below 400,000 in the final weeks of 2011, while non-farm payrolls had risen by 200,000 as of year-end.

Treasury yields fell slightly during the quarter, with the 10-year Treasury yield declining from 1.93% to 1.87% and the 30-year Treasury yield dropping from 2.92% to 2.89%.

Agency mortgage-backed securities (MBS) returned 0.88% during the quarter, for a 0.25% excess return (excess returns are defined as returns relative to like-duration Treasuries). Investment-grade corporates returned 1.93%, for a 0.82% excess return. Within corporates, financials returned 1.22% (0.29% excess return), while industrials returned 2.28% (1.12% excess return), and utilities returned 2.24% (0.95% excess return).

As for other asset classes, high-yield corporates posted a strong 6.18% return, or 5.40% on an excess return basis, as spreads narrowed from 841 bps to 723 bps. High-yield convertibles returned 4.79%. Floating-rate bank loans underperformed high-yield corporates, returning 3.08% as the inflation outlook weakened. Non-agency MBS/asset-backed securities (ABS), as represented by the Bank of America Merrill Lynch (BofA ML) Floating Rate Non-Agency Asset-Backed Securities Index, also faltered, returning 0.11% as investor concerns about forced selling by European banks increased. Municipals posted positive returns, with the market returning 2.12% (–0.26% excess return); high-yield municipals returned 0.79%, for an excess return of –2.16%.

Sector Allocation and Security Selection

Sector allocation decisions added 8 bps to the Fund's benchmark-relative returns during the quarter. With the portfolio's overweight to credit, it has been underweight in government-related debt such as Treasuries and agency debentures. Treasuries underperformed the Barclays Index benchmark, returning 0.89% for the quarter, while government-related bonds underperformed the Barclays Index by even more, posting a 0.69% return. Treasuries, which compose approximately 35% of the Barclays Index, lagged during the quarter as investors were more willing to put assets to work in risk-related sectors, such as corporate bonds and equities. The Fund finished December with 8% of its market value invested in Treasuries, a 27% underweight that added 5 bps to benchmark-relative returns.

Non-agency mortgages were the main detractor from the Fund's relative returns from a sector allocation perspective. They cost the portfolio –11 bps as that segment of the market continued to languish, in part because it is dominated by floating-rate securities. With rates low, the market's appetite for floating-rate issues has become muted. ABS and financial corporates cost the Fund –3 bps and –1 bp, respectively, during the quarter.

Allocation decisions that resulted in positive contributions to the Fund's relative returns during the quarter included overweights to commercial MBS (+9 bps), corporate industrials (+7 bps) and corporate utilities (+2 bps), and an underweight to agency debentures (+3 bps).

Security selection added 15 bps to overall benchmark-relative performance during the quarter, with an 11 bps boon coming from Treasuries, as the Fund's 20-year Treasury holdings did well. Selection in industrials, financials, and ABS also contributed positively to the Fund's relative returns during the quarter, while selection in commercial MBS cost –10 bps and selection in utilities cost –4 bps. Security selection within municipal bonds hurt relative returns by approximately –12 bps as well.

Meanwhile, the Fund's allocation to lower-quality holdings helped drive many of the portfolio's corporate returns higher, including returns in financials and utilities. An area where being down in quality did not work for the portfolio, however, was commercial MBS.

The Fund's short-duration positioning of 4.12 years, compared with the Barclays Index's 4.95 years hurt relative returns by –29 bps, as longer-duration bonds generally outperformed their shorter-duration counterparts during the quarter. (Duration is a measure of a portfolio's sensitivity to changes in interest rates.) The portfolio had been positioned for a flatter yield curve, and so the flattening we saw over the quarter was a positive for performance; however, the five-year segment of the curve experienced the largest drop, at 12 bps, and the Fund had very little exposure on that part of the curve. Therefore, the yield-curve effect added only 1 bp to relative performance.

Current Outlook and Positioning

We believe the U.S. economy will experience modest growth of more than 2% in 2012, a rate consistent with slow, protracted recoveries from "balance sheet"-caused recessions. Consumption data has exceeded expectations, reflecting an improving employment situation, the benefits of the payroll tax cut enacted at the beginning of 2011, and declining gasoline prices that also occurred earlier in the year. While Europe may enter (or already be in) a recession, growth in emerging markets may be nearing a bottom and could improve in response to the lagged effects of monetary easing among emerging countries that began last August.

The greatest risk to our forecast is the possible contagion effects of the European sovereign-debt and banking crisis. We believe the European Union must effect a comprehensive solution that includes recapitalizing the banks, ensuring funding for troubled sovereigns, achieving a workable fiscal and economic integration, and improving labor competitiveness in southern Europe, before the crisis can be defused.

The Fund holds a significant overweight to corporate bonds, because we believe they currently offer the most attractive value among fixed-income asset classes. Corporations, particularly in the U.S., have both attractive valuations and strong fundamentals. Revenue growth and tight cost controls may allow U.S. companies, as they have over the past few years, to enjoy continued improvement in their earnings and balance sheets. Moreover, the Federal Reserve Board's (the Fed's) commitment to continued low interest rates, coupled with modest economic growth, may continue to support risky assets such as corporate bonds, and particularly high-yield corporate bonds. High-yield spreads remain wide to long-term averages, while projected defaults remain well below long-term averages.

As senior, secured securities, we also find corporate bank loans intriguing, in light of "all-in" yields of 6%, average prices of $92 to $93, and minimal interest rate risk. Although the convertibles market has been shrinking as corporations opt to finance in the bond market at record-low yields, we believe convertibles offer value, too, given our preference for equities over fixed income. We also find municipal bonds attractive relative to Treasuries, particularly at the long end of the yield curve, where the ratio of municipal yields to Treasury yields stands at very high levels. Many states and municipalities have made the cuts necessary to balance their budgets, while at the same time benefiting from higher tax revenues as the economy recovers.

The Fund remains underweight to developed government bonds, based on our view that they have poor fundamentals and unattractive valuations. Europe and the United States continue to suffer from high deficits and high and growing debt-to-GDP ratios. Furthermore, "Operation Twist"—the Fed's program of buying longer-maturity Treasuries—has contributed to negative real yields across the Treasury yield curve. As of December 31, 2011, no Treasury security offers yields that exceed the rate of inflation, as measured by the Consumer Price Index. In the long run, we believe U.S. Treasuries represent an unattractive investment, even though they are currently being supported by the Fed. Finally, we continue to maintain a cautious stance towards eurozone markets. The eurozone is falling into recession and has not yet found a comprehensive solution to its sovereign-debt and banking crises.

Performance Review

Pioneer Bond Fund Class A shares returned 0.81% at net asset value in the fourth quarter, while the Fund's benchmark, the Barclays Capital Aggregate Bond Index (the Barclays Index), returned 1.12%. Over the full calendar year ended December 31, 2011, the Fund's Class A shares returned 5.08% at net asset value while the Barclays Index returned 7.84%.

Average Annual Total Returns (Class A shares)

December 31, 2011	(at NAV)	(at POP)	Barclays Capital Aggregate Bond Index
1 year	5.08%	0.35%	7.84%
3 years	10.62%	8.92%	6.77%
5 years	6.55%	5.57%	6.50%
10 years	6.19%	5.71%	5.78%

Expense Ratio

(As of prospectus dated November 1, 2011)	
Gross	1.06%
Net	0.85%

SEC Yield (Class A shares)

(As of December 31, 2011)	
With expense waiver	4.48%
Without expense waiver	4.32%

Call 1-800-225-6292 or visit us.pioneerinvestments.com for the most recent month-end performance results. Current performance may be lower or higher than the performance data quoted.

The performance data quoted represents past performance, which is no guarantee of future results. Investment return and principal value will fluctuate, and shares, when redeemed, may be worth more or less than their original cost.

The NAV results represent the percent change in net asset value per share. Returns would have been lower had sales charges been reflected. The POP performance data reflects deduction of the maximum 4.50% sales charge at the beginning of the period. All results are historical and assume the reinvestment of dividends and capital gains. Other share classes are available for which performance and expenses will differ.

Performance results reflect any applicable expense waivers in effect during the periods shown. Without such waivers fund performance would be lower. Waivers may not be in effect for all funds. Certain fee waivers are contractual through a specified period. Otherwise, fee waivers can be rescinded at any time. See the prospectus for more information.

The net expense ratio reflects contractual expense limitations currently in effect through 11/1/13 for Class A shares. There can be no assurance that Pioneer will extend the expense limitations beyond such time. Please see the prospectus for more information.

A Word about Risk:

When interest rates rise, the prices of fixed-income securities in the Fund will generally fall. Conversely, when interest rates fall, the prices of fixed-income securities in the Fund will generally rise.

Investments in the Fund are subject to possible loss due to the financial failure of underlying securities and their inability to meet their debt obligations.

Pre-payment risk is the chance that mortgage-backed bonds will be paid off early if falling interest rates prompt homeowners to refinance their mortgages. Forced to reinvest the unanticipated proceeds at lower interest rates, the Fund would experience a decline in income and lose the opportunity for additional price appreciation associated with falling interest rates.

Investments in high-yield or lower-rated securities are subject to greater-than-average risk.

The securities issued by U.S. Government sponsored entities (i.e., FNMA, Freddie Mac) are neither guaranteed nor issued by the U.S. Government.

The Fund may invest in mortgage-backed securities, which during times of fluctuating interest rates may increase or decrease more than other fixed-income securities. Mortgage-backed securities are also subject to pre-payments.

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.

The Barclays Capital Aggregate Bond Index is a market value-weighted measure of Treasury and agency issues, corporate bond issues and mortgage-backed securities. Index returns assume reinvestment of dividends and, unlike mutual fund returns, do not reflect any fees or expenses associated with a mutual fund.

It is not possible to invest directly in an index.

The views expressed in this commentary are those of the portfolio manager, and are subject to change at any time. These views do not necessarily reflect the views of Pioneer or others in the Pioneer organization, and should not be relied upon as investment advice, as securities recommendations, or as an indication of trading intent on behalf of any Pioneer investment product.

	Top 10 Holdings	% of Portfolio as of December 31, 2011
1.	United States Treasury (N/B), 4.50%, 8/15/39	0.91%
2.	U.S. Treasury (N/B), 4.50%, 5/15/38	0.84%
3.	United States Treasury, 4.25%, 5/15/39	0.73%
4.	U.S. Treasury Note, 4.50%, 2/15/36	0.73%
5.	United States Treasury Bond, 2.75%, 2/15/19	0.72%
6.	State Street Capital, 8.25%, 1/29/49	0.70%
7.	United States Treasury Note, 2.125%, 8/15/21	0.62%
8.	Mass. Health & Educational Facilities Auth., 5.50%, 11/15/36	0.57%
9.	United States Treasury, 3.125%, 5/15/19	0.54%
10.	U.S Treasury (N/B), 4.375%, 2/15/38	0.53%

The portfolio is actively managed, and current holdings may be different. The holdings listed should not be considered recommendations to buy or sell any security listed.

Before investing, consider the Fund's investment objectives, risks, charges and expenses. Contact your advisor or Pioneer Investments for a prospectus or summary prospectus containing this information. Please read it carefully.

The investments you choose should correspond to your financial needs, goals, and risk tolerance. For assistance in determining your financial situation, please consult an investment professional.

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