

Pioneer Emerging Markets Fund

Performance Analysis and Commentary

March 2012

First Quarter Review

- The Fund's Class A shares returned 11.25% at net asset value in the first quarter, while the Fund's benchmark, the Morgan Stanley Capital International (MSCI) Emerging Markets Index¹, returned 14.14%.
- The biggest detractor from the Fund's benchmark-relative performance was holding some cash in January and, to a lesser extent, February, as we were in the process of realigning the Portfolio. Stock selection in industrials also was a large detractor from relative performance.
- We remain positive on the medium- and long-term outlook for emerging markets. The structural case for investing in emerging markets when compared with developed markets remains intact, as emerging markets have displayed substantial growth, better government finances and higher reserves, all of which are supported by a sustained period of low interest rates globally.

Following one of the strongest Januaries in several years, the positive "risk-on" mood in the markets continued through February, albeit with lower returns. The backdrop became more mixed in March, as there was less volatility and markets mainly were flat, or slightly down, depending on the asset class. Greece was the main focus for investors during the build-up to its second bailout of 130 billion euros, which was finally agreed upon in late February, with private investors taking a "haircut" of around 75%.

Economic data was, overall, supportive of the more positive risk-on mood in the markets, especially in January, as Purchasing Managers Index (PMI) readings in the U.S., Europe and the U.K. all came in ahead of expectations. One of the most positive areas of improvement in the first quarter was the U.S. labor market, which continued to build on the traction gained in the latter part of 2011. The unemployment rate came down to 8.3%, a three-year low, with initial jobless claims dropping to their lowest level since early 2008.

Following 15 months of underperformance, emerging market equities recorded very strong absolute and relative performance in January and February, the first time emerging equities outperformed for two consecutive months since the middle of 2010. The trend broke in March, however, when emerging equities were down by 3.5% (capital return in U.S. dollars), while developed markets were up by 1%. The weakness in March was due primarily to the BRIC countries (Brazil, India, China, Russia), especially China and Russia. Nevertheless, a 14.1% return for emerging equities over the entire first quarter was ahead of the 11% return for developed-market equities; the 14.1% return for emerging equities was, in fact, the strongest first quarter return for the asset class since a 58% rally in 1992's first quarter.

Looking at regional performance, Europe/Middle East (EMEA) was the best performer in the first quarter (15.4% capital return in U.S. dollars), closely followed by Latin America (14%) and Asia (13%). In local-currency terms, these positions were reversed, with Asia leading (11.2%) and EMEA lagging (8.3%). In Asia, China, Malaysia and Indonesia underperformed, while the Philippines, Thailand and India outperformed. Egypt and Turkey were the strongest main markets in EMEA. In Latin America, Venezuela staged a massive 70% rally; Peru and Colombia also were strong, while Mexico was the main laggard.

Inflation continues to show downward momentum in most countries, allowing for an easing bias and pro-growth agendas. For instance, Brazil's finance minister indicated that interest rates will come down further as inflation continues to moderate, while taxes will be reduced to promote growth. India, where inflation remained stubbornly high for longer than in most countries, has also seen a reduction in wholesale prices over the past three months. This has enabled India to start pursuing pro-growth policies. Turkey has been a notable exception to the trend of smaller price increases, with inflation in the country rising sharply and to double-digit levels, compared with just 4% a year ago at this time. Poland also raised inflation guidance in March, from the previous range of 2.5% - 3.9%, to the 3.6% - 4.5% range.

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Following five months of falling consumer inflation in China (since its peak last July), the country's consumer price index (CPI) unexpectedly spiked higher in January by 1.5%, to a rate of 4.5% year-over-year (up from 4.1%). However, the inflation figures were distorted by the Lunar New Year holiday, which featured strong rises in pork prices. Thus, the increase generally was not viewed as the start of a new inflationary trend. Indeed, inflation in China fell in February, with the year-over-year figure also showing a dramatic fall back to 3.2%, its lowest level since June 2010. Falling inflation, combined with weaker figures on trade and lending allowed the central bank in China to cut banks' reserve ratios by 50 basis points (0.50%) in February, in order to sustain economic growth. The move should free up roughly \$64 billion (U.S. dollars) for new lending.

Sector Allocation and Security Selection

The biggest detractor from the Fund's benchmark-relative performance in the first quarter was holding some cash in January and, to a lesser extent, February, as we were in the process of realigning the Portfolio. The bulk of the Fund's underperformance occurred in January, which was when we made most of the changes to the portfolio (reducing the defensive bias and increasing large-cap holdings); the low-quality rally and the portfolio's higher cash levels caught us behind the benchmark.

From a country perspective, the main detractors from the Fund's relative performance were Korea (Samsung Electronics, Doosan Heavy Industries), India (ICICI Bank) and Brazil (Vale, Petrobras), along with the Fund's holding in Canada-based (emerging markets focused) gold miner IAMGOLD. Conversely, the Fund saw added value in South Africa (overweight positions in Exxaro Resources and Mr. Price; and not owning MTN and Sasol), Russia (Sberbank, Mobile TeleSystems) and Taiwan (Hon Hai Precision, Taiwan Semiconductor).

From a sector perspective, the Fund underperformed the overall return of the benchmark MSCI Emerging Markets Index in six of the ten areas. Industrials was by far the worst underperformer for the Fund, due mainly to stock selection, though being underweight to the sector also detracted from relative returns. Conversely, good stock selection in consumer discretionary and consumer staples helped the Fund to outperform the benchmark in those sectors, as did good stock selection in health care and telecom services.

Current Outlook and Positioning

The Fund's main country overweights at the end of March were in Russia (2.86%), Brazil (2.17%) and Mexico (1.45%). The Fund also has some small non-benchmark bets in companies operating in the emerging markets, such as Luxembourg (Millicom Cellular, a mobile telecom business with operations in Latin America and Africa); Canada (IAMGOLD); Austria (Erste Bank); and Panama (Copa Airlines).

The Fund's main country underweights are in Taiwan (-2.86%) and Malaysia (-2.07%), along with Thailand, South Africa, Turkey, Poland, Indonesia and Chile.

Sector-wise, the Fund's main overweights at quarter-end were in consumer staples, information technology and telecom services, while the main underweights were in materials, industrials, utilities, consumer discretionary and financials. The biggest changes to the Fund's relative weights during the first quarter were reductions to the consumer staples and utilities allocations, and an increase in financials.

We feel the three key drivers for emerging market performance are growth, valuations and sentiment. Growth and valuations are both fundamental measures that influence the majority of our investment decisions at a country, sector and individual company/stock level. Sentiment encompasses the short-term investment environment for emerging markets; it can influence our entry and exit points for portfolio changes and also guide our tactical decisions regarding when to add or decrease risk in the Fund.

We remain positive about the medium- and long-term outlook for emerging markets. We believe the structural case for investing in emerging markets when compared with developed markets remains intact, as emerging markets have displayed superior growth, better government finances and higher reserves, all of which are supported by a sustained period of low interest rates globally. In particular, emerging markets have much lower government debt levels than developed markets, which is an issue that's currently in the spotlight and is likely to remain there for several more years. We believe a healthier fiscal position and stronger domestic demand may drive strong growth in the emerging markets for a multi-year period. On the other hand, growth in developed markets is likely to remain subpar for the next two or three years as countries go through a deleveraging cycle.

The short-term outlook for emerging markets is more difficult to predict; however, the situation has improved in most regards over the first quarter of 2012. Investor sentiment about Europe has improved following the Greek restructuring and the European Central Bank's second long-term repo operation (LTRO2) program. The improved sentiment may help to maintain upward momentum, or at least limit any downside if news flow coming out of Europe disappoints. The key issues the markets will have to deal with over the next few months are likely to be Europe's debt problems, oil prices, global growth/inflation, and political tensions involving Iran.

The headwinds of high inflation and policy tightening in the emerging markets generally are no longer an issue at present. For instance, India has seen a big drop in core inflation, Brazil is lowering interest rates and introducing tax cuts, and China is starting to implement selective pro-growth policies, such as cutting banks' reserve requirements. Emerging economies in general have been pursuing growth agendas, while stock technicals and valuations have remained supportive. Additionally, it appears likely that the developed world will avoid a recession given the improvement in the U.S. economy in recent months. These positive factors could drive markets higher in the second quarter. Conversely, there is a risk of a market pull-back due to profit taking and unresolved European debt issues.

Earnings, particularly expected earnings growth, are a key factor in stock valuations. Earnings growth fell sharply in 2011, to around 1%, down from levels near 30% in 2010. However, there have been recent upward revisions to 2012 and 2013 earnings expectations (with the consensus estimates now at 13.9% and 16.2%, respectively).

Valuations in emerging markets still appear attractive from both a relative and historical perspective. At the end of March, the forward price-to-earnings (P/E) ratio of the companies in the MSCI Emerging Markets Index averaged 10.1, compared with 11.91 for the MSCI World Index. (Price-to-earnings, or P/E ratio, is a valuation ratio of a company's current share price compared to its per-share earnings. The P/E ratio is sometimes referred to as the "multiple", because it shows how much investors are willing to pay per dollar of earnings.) The difference in P/E ratio between the indices represents a 15.2% discount for emerging market equities, down just slightly from the 15.5% discount at the beginning of the year, which represented a three-year high.

Performance Review

Pioneer Emerging Markets Fund Class A shares returned 11.25% at net asset value in the first quarter, while the Fund's benchmark, the Morgan Stanley Capital International (MSCI) Emerging Markets Index, returned 14.14%.

Average Annual Total Return (Class A shares)

March 31, 2012	(at NAV)	(at POP)	MSCI Emerging Markets Index
1 year	-14.30%	-19.23%	-8.52%
3 years	18.54%	16.23%	25.42%
5 years	-0.84%	-2.01%	4.97%
10 years	11.76%	11.10%	14.47%

Expense Ratio

(As of prospectus dated April 1, 2012)

Gross	1.95%
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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 5.75% 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 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.

A Word About Risk:

Investing in foreign and/or emerging markets securities involves risks relating to interest rates, currency exchange rates, economic, and political conditions.

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 MSCI Emerging Markets Index measures the performance of emerging market stocks. 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 Investments 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.

The Fund performance attribution information shown below does not reflect the deduction of fees, charges and expenses associated with investing in the Fund, such as sales charges, management fees, distribution and service (12b-1) fees, or any other fees associated with the Fund. Such expenses would reduce the overall returns shown.

Please refer to the average annual total returns table for performance that reflects the deduction of these fees and charges.

Chart 1- Average Weight

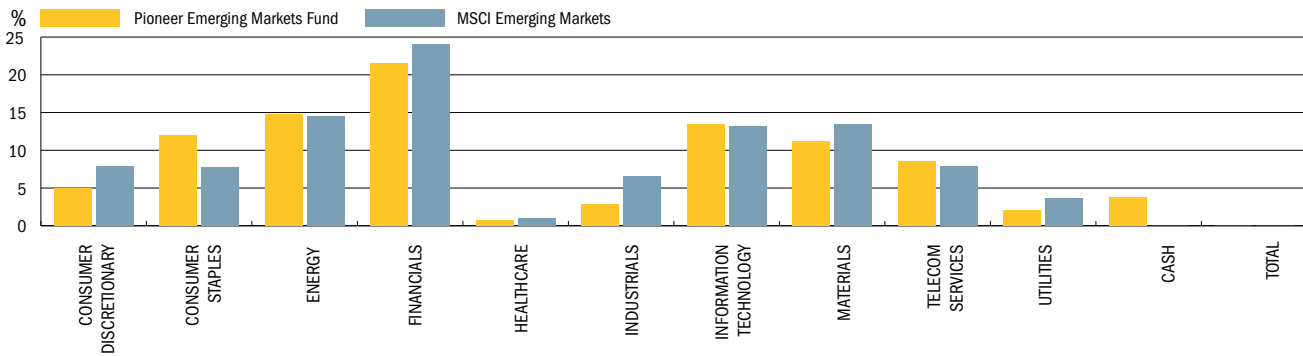


Chart 2- Return

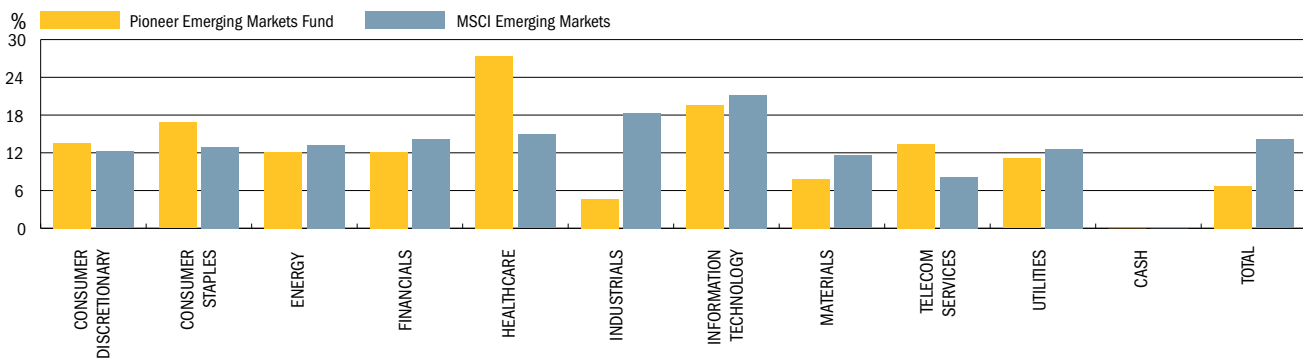
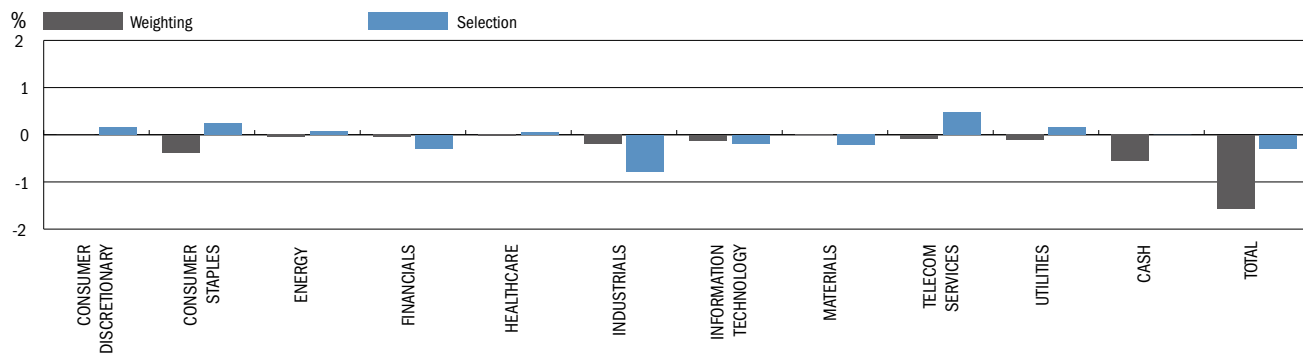


Chart 3- Performance Attribution



Please see the last page for more background information about Performance Attribution. The portfolio is actively managed, and current holdings may be different.

Actual portfolios have fees and expenses. Our performance attributions ignore fees and expenses. The hypothetical portfolios used in performance attribution are before fees and costs.

Securities Discussed	% of Portfolio as of March 31, 2012
Samsung Electronics	4.46%
Doosan Heavy Industries & Construction	0.96%
ICICI Bank	1.24%
Vale	1.51%
Petrobras	2.26%
IAMGOLD	0.98%
Exxaro Resources	2.37%
Mr. Price	1.03%
Sberbank of Russia	1.92%
Mobile TeleSystems	2.30%
Hon Hai Precision Industry	1.80%
Taiwan Semiconductor Manufacturing	3.43%
Millicom International Cellular	1.27%
Erste Bank	0.98%
Copa Airlines	0.93%

Top 10 Holdings	% of Portfolio as of March 31, 2012
1. Samsung Electronics	4.46%
2. Fomento Económico Mexicano	3.60%
3. Taiwan Semiconductor Manufacturing	3.43%
4. Cia de Bebidas das Americas	2.94%
5. Itau Unibanco	2.54%
6. Exxaro Resources	2.37%
7. China Mobile	2.34%
8. Mobile Telesystems	2.30%
9. Petrobras	2.26%
10. Gazprom	2.20%

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.

Performance Attribution: Background

This performance attribution seeks to identify and quantify the drivers of portfolio performance relative to that of a benchmark. How much of a return difference was due to different exposures to asset class, country, sector or similar factors? How much was due to specific securities?

Here's how we answer the question for equity portfolios:

Using FactSet software, we create hypothetical subportfolios by segmenting the portfolio and its benchmark, then measure the value (weight) and returns of those hypothetical subportfolios. This lets us measure the performance impact of a decision to overweight or underweight a portfolio segment. It also lets us measure the performance impact of a specific security selection within each segment.

GRAPHIC PRESENTATION

We present attribution results using three graphs. Graph 1 shows the allocation of the portfolio across different segments (industries/sectors/countries, etc.). Overweights and underweights are visible. Graph 2 shows the returns of each portfolio and corresponding benchmark segment. Success at security selection is easily spotted. By using the data underlying the first two graphs, we calculate the data for Graph 3, the impact of Weighting and Selection decisions on benchmark-relative return.

WEIGHTING IMPACT

It pays to overweight portfolio segments which perform better than average. The weighting impact measures the impact of the decision to overweight or underweight particular asset classes relative to benchmark weightings. In our model, the value added by an overweight, or its weighting impact is defined as the size of the overweight (portfolio weight minus benchmark weight) times the payback (the return of the overweighted asset minus the return of the entire benchmark).

A positive allocation effect arises from being overweight sectors/countries that produce a greater return than the benchmark average or being underweight a sector/country that underperforms the benchmark return. The formula for calculating the weighting impact is: $(\text{Portfolio weight} - \text{Benchmark weight}) \times (\text{Benchmark segment return} - \text{Benchmark total return})$

SELECTION IMPACT

Within each segment, it pays to overweight securities which outperform. The selection effect evaluates the manager's skill at choosing outperforming securities.

In our model, the value added by specific selection, or selection impact, is defined as the weight of the portfolio position times the difference between the position's return and the benchmark return. The formula for calculating the weighting impact is: $(\text{Portfolio weight}) \times (\text{Portfolio segment return} - \text{Benchmark segment return})$.

IMPORTANT NOTES

We are presenting results of a two-factor model. We also use a three-factor model, which has an "interaction effect." The two- and three-factor models are quite similar; we have chosen the two-factor approach for its greater ease of use.

The real world is far more complex than any two-factor model can accurately describe. Performance attribution models can deepen understanding, but their limitations – they are just estimates – must be remembered.

Actual portfolios have fees and expenses. Our performance attributions ignore fees and expenses: the hypothetical portfolios used in performance attribution are before fees and costs.

Not FDIC insured • May lose value • No bank guarantee