

# Pioneer Global High Yield Fund

Performance Analysis and Commentary

June 2010

## Second Quarter Review

- The Fund's Class A shares slightly underperformed the Fund's benchmark, the Bank of America/Merrill Lynch Global High Yield and Emerging Markets Plus Index (the BofA/ML GHY and EMP Index) over the second quarter.
- The portfolio's lower quality as well as security selection were the main detractors from benchmark-relative performance during the quarter.
- We believe the U.S. will achieve GDP growth of approximately 3% in 2010, led by the corporate sector and helped by a recovering consumer.

Risk markets pulled back in the second quarter, putting pause to a nearly straight run-up in risky asset prices which had begun in March of 2009. What started as localized concern about potential defaults among highly indebted Eurozone members—most notably Greece and Spain—and their impact on highly exposed European banks, eventually fed more broad-based fears about the potential for a global economic slowdown, if not a “double-dip” recession.

Cooler economic reports out of China combined with increasingly discouraging economic data from the U.S. in June (a 30% decline in home sales, tepid private sector payroll gains, and lower retail sales) led investors to reduce risk positions. U.S. Treasuries benefited not only from a flight to quality, but also from a flight out of the euro.

Ten-year Treasury yields fell from 3.82% to 2.95%, for a return of 8.4%, while 30-year yields fell from 4.72% to 3.91%, for a return of 15.3%. The BofA/ML GHY and EMP Index returned -1.62% in U.S. dollars (unhedged) over the quarter. On a U.S. dollar basis, European high yield had the worst performance, returning -10.93% (and -2.78% on a local currency basis).

Emerging market sovereigns rose by 1.21% for the quarter, while emerging market corporates declined (-1.40%) and risky emerging markets also were down (-0.47%). U.S. high yield returned -0.07%, as spreads widened from 584 bps to 713 bps. High quality outperformed, with BBs up by 0.60%, compared with a -0.14% return for single Bs and a -1.44% return for CCCs. Bank loans underperformed high yield, returning -2.03%, as inflation fears dissipated in the second quarter.

The floating-rate non-agency mortgage-backed (MBS) and asset-backed (ABS) markets continued to outperform during the quarter, returning 3.42%, reflecting support from PPIP buyers. The dollar outperformed all currencies except the yen: it rose 9.43% against the euro but returned -5.49% against the yen, as the carry trade was unwound.

## Sector Allocation and Security Selection

The primary detractors from the Fund's quarterly performance were the lower quality of the portfolio and security selection. The lower quality of the portfolio had a -40 basis point (bps) affect on performance, including -15 bps attributable to the Fund's 22% overweight to single B issues.

Security selection detracted from Fund performance (-40 bps), with strong performance in insurance, energy and financial services offset by the negative impact of holdings in consumer non-cyclical, basic industry, media and services. Finally, asset allocation (-10 bps) hurt the Fund's performance during the quarter.

On a local-market basis, the portfolio's 20% underweight to emerging market sovereigns hurt performance (approximately -60 bps); that negative impact was not completely offset by the benefits of the Fund's underweight to European high yield (+3 bps) and overweight to U.S. high yield (+28 bps).

The Fund's out-of-benchmark allocation to non-agency MBS/ABS contributed 20 bps to performance. Sector performance was also a slight positive for the Fund during the quarter, and currency added a net 92 bps to benchmark-relative performance, with a 10% underweight to the euro contributing 86 bps.

Securities contributing to the Fund's performance included Indian gaming firms Little Traverse Bay and Buffalo Thunder, NCO, Norse Energy and MSX. Securities detracting from performance included Sino-Forest, Grupo Papelero, Ford Motor convertibles, Goldman Sachs floating-rate notes, and Lear common stock.

## Current Outlook and Positioning

We continue to believe the U.S. will achieve gross domestic product (GDP) growth of approximately 3% in 2010, led by the corporate sector and helped by a recovering consumer. At the margin, we feel U.S. GDP growth will be somewhat lower than we had expected at the beginning of the year amid reduced global growth expectations, which reflect tighter monetary policies from several emerging market countries, such as China's increased reserve requirement, as well as deficit-reduction measures among the highly indebted Eurozone members.

The U.S. dollar may continue to strengthen against the euro and yen, reflecting stronger relative growth and the Eurozone's struggles, but may weaken relative to currencies of developed and emerging market countries that have exhibited more disciplined monetary and fiscal policies. Inflation is not an immediate concern, but could pose a significant intermediate threat if monetary and fiscal stimulus and the deteriorating government debt situation are not managed effectively.

Given the reduced global growth outlook and continued high levels of unemployment in the U.S., the Federal Reserve Board will most probably extend the low-rate environment into early 2011. We continue to see value in high yield, particularly with the recent widening of spreads from long-term averages, given the generally strong financial position of corporations and low default expectations over the coming year. We favor the U.S. high-yield market over international high yield. With the significant widening of emerging market corporate spreads, we now assess U.S. high-yield and emerging market corporate opportunities on a relative value basis. We continue to focus on security selection, which we believe will represent the primary means for outperformance in 2010, given the more normalized market environment relative to the past few years.

We believe our ability to invest the Fund in the most attractive high-yield bond opportunities globally, including those from emerging markets, gives us the potential for competitive returns, with reduced volatility, by taking advantage of market inefficiencies that may not be available to portfolios with more limited mandates.

The portfolio uses a three-legged approach: the first leg is traditional U.S. high-yield investing, which offers the breadth and depth of the highly developed markets in the U.S.; the second leg is emerging markets investing, which provides us with the flexibility to give the Fund exposure to some of the world's best companies that are located in emerging market economies; the third leg is international high-yield or non-dollar high-yield investing. We seek to reduce the Fund's overall volatility by investing in non-dollar-denominated high-yield assets.

## Performance Review

Pioneer Global High Yield Fund Class A shares returned -1.83% at net asset value in the second quarter, compared with a return of -1.60% for the Fund's benchmark, the BofA/ML GHY and EMP Index. Year-to-date through June 30, 2010, the Fund's Class A shares have returned 4.68% at net asset value, while the BofA/ML GHY and EMP Index has returned 2.68%.

### Average Annual Total Returns (Class A shares)

June 30, 2010	(at NAV)	(at POP)
1 Year	32.88%	26.95%
3 Years	2.27%	0.70%
5 Years	5.69%	4.71%
Life (8/27/01)	9.78%	9.21%

### Expense Ratio

(As of prospectus dated March 1, 2010)

Gross	1.32%
Net	1.10%

Call 1-800-225-6292 or visit [pioneerinvestments.com](http://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.

NAV results represent the percent change in net asset value per share. Returns would have been lower had sales charges been reflected. POP returns reflect 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 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 3/1/12 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:**

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

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

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.

Prepayment 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.

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.

The Bank of America/Merrill Lynch Global High Yield & Emerging Markets Plus Index tracks the performance of the below- and border-line investment-grade global debt markets denominated in the major developed market currencies. The Index includes sovereign issuers rated BBB1 and lower, along with corporate issuers rated BB1 and lower. There are no restrictions on issuer country of domicile. However, the bonds must be publicly issued in a developed market (i.e., investment-grade country). 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.

Securities Discussed	% of Portfolio as of June 30, 2010
Buffalo Thunder Development, 9.375%, 12/15/14	0.08%
Ford Motor, 4.25%	0.50%
Goldman Sachs Capital, FRN, 12/29/49	0.74%
Grupo Papelero Scribe, 8.875%, 4/7/20 (144A)	0.65%
Lear	0.45%
Lear, 8.125%	0.07%
Little Traverse Bay	0.10%
MSX International	0.51%
NCO Group, 11.875%, 11/15/14	0.89%
NCO Group	0.40%
Norse Energy	0.04%
Sino-Forest	0.19%
Sino-Forest	0.31%
Sino-Forest	0.59%

Top 10 Holdings	% of Portfolio as of June 30, 2010
1. NCO Group, 11.875%, 11/15/14	0.89%
2. True Move, 10.75%, 12/16/13 (144A)	0.86%
3. Marfrig Overseas, 9.50%, 5/4/20 (144A)	0.84%
4. Goldman Sachs Capital, FRN, 12/29/49	0.74%
5. WESCO International, 6.00%, 9/15/29	0.73%
6. Minerva Overseas II, 10.875%, 11/15/19 (144A)	0.73%
7. Alliance One International, 10.00%, 7/15/16	0.69%
8. Global Crossing, 12.00%, 9/15/15 (144A)	0.69%
9. Grupo Papelero Scribe, 8.875%, 4/7/20 (144A)	0.65%
10. Intelsat Bermuda, 11.50%, 2/4/17	0.65%

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

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

Not FDIC insured	May lose value	No bank guarantee
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