

# Pioneer Mid Cap Value Fund

Performance Analysis and Commentary

June 2010

## Second Quarter Review

- The Fund's Class A shares returned -10.68% at net asset value in the second quarter, compared with a return of -9.57% for the Fund's benchmark, the Russell Midcap Value Index.
- Stock selection in the Materials sector resulted in strong relative outperformance for the Fund, accounting for more than 70 basis points (bps) of total performance.
- Newmont Mining, though less than 1% of the Fund's assets, was an out-of-benchmark bet that returned more than 20% for the quarter and was the biggest contributor to performance among all of the Fund's holdings.
- Financials were a drag on Fund performance, as the sector pulled back sharply in May in response to uncertainty about global economic growth and pending legislation for financial reform.
- Industrials also detracted from performance due to specialty equipment maker SPX and multi-industry conglomerate Textron; both declined on pullbacks in equipment orders, but we believe company restructuring will help their later cycle businesses outperform.

The stock market posted a gain in April, then began a decline which ended with the broader-based Russell 1000 Index returning -11.44% for the quarter, and -6.40% year-to-date through June 30, 2010. The U.S. dollar rallied and Treasury bond yields (which move in the opposite direction of prices) fell to remarkable lows as investors engaged in a classic "flight to safety."

Within the stock market, the economically sensitive sectors which the Fund favored in the first quarter were generally worst-hit in the second. Each sector in the Russell Midcap Value Index was negative, with the Consumer Discretionary (-14.0%), Materials (-13.4%), and Information Technology (-12.4%) sectors the weakest performers, while the more defensive Utilities (-3.3%), Telecommunications (-6.2%), and Financials (-8.1%) sectors declined the least.

## Sector Allocation and Security Selection

As a result of good stock selection, the Fund's Materials sector holdings provided strong relative outperformance. Accounting for more than 70 bps (more than 0.70%) of total performance, the portfolio's sector declined by only 3.6% on an absolute basis, while the Russell Midcap Value Index's Materials sector declined by more than 13% at a near even-weight. The Fund's position in Newmont Mining, though less than 1% of assets, was an out-of-benchmark bet that returned more than 20% for the quarter and contributed the most of any individual holding.

Also contributing to performance was container maker Ball, which rebounded strongly in May and June due to improving fundamentals in its core metal can business, a large share repurchase authorization, and an agreement to divest its non-core plastics business.

The portfolio's benchmark-relative results also were strong in the Consumer Staples sector, in part due to confectioner Hershey, which gained 13% on robust first quarter earnings and cost savings initiatives. Other holdings that helped performance during the second quarter included utility Public Service Enterprise Group, in which the Fund was overweight, and El Paso, an exploration/production and pipeline company.

Financials lagged during the quarter, however, as the sector pulled back sharply in May in response to uncertainty about global economic growth and pending U.S. legislation to overhaul the country's financial regulation laws.

Individual securities from the Financials sector that hurt the Fund's performance included insurer Assured Guaranty, and Lazard. Assured Guaranty underperformed in the quarter due to weakness in municipal debt issuance (core to its business) and renewed credit fears. The Fund's position in Lazard underperformed the sector due to expectations of slowing mergers and acquisitions (M&A) and asset management revenues, and an impending stock sale by insiders. We believe these issues are temporary and misguided. We continue to hold Lazard in the portfolio due to its leverage within the business to an impending rebound in M&A, its solid asset management platform, and its discounted valuation.

Industrials also detracted from Fund performance due to specialty equipment maker SPX and multi-industry conglomerate Textron; both declined on pullbacks in equipment orders, but we believe company restructuring will help their later cycle businesses outperform.

Baxter International was the portfolio's biggest detractor from performance during the quarter. The company lowered its expectations for sales and profits for the current year due to pricing pressure and market share erosion in one of its business lines. Company management has addressed the issue in ways that we think will stabilize the business in the coming quarters, however.

## Trading Activity

In second quarter trading, we decreased the Fund's exposure to the Industrials sector, eliminating aerospace & defense company ITT and electrical equipment maker Rockwell International. We believe consensus earnings estimates for ITT are too high, setting the company up for disappointment. We harvested gains in an early cycle play on Rockwell after a strong run. We also decreased the Fund's exposure to the Consumer Discretionary sector, eliminating Abercrombie & Fitch and home builder Pulte. We took gains after the rapid outperformance of Abercrombie and sold Pulte due to its full valuation, and in anticipation of lower sales following the homebuyer tax credit's expiration.

We increased the Fund's overall weighting in Financials, taking advantage of the sector's selloff and adding exposure to diversified financial services and commercial banks. We sold Assured Guaranty on credit concerns. Additionally, we harvested gains in Fifth Third Bancorp and Public Storage, and reinvested the proceeds into better opportunities for the Fund. We added Moody's, a credit rating agency with solid returns, margins, and market structure that has been unduly punished by regulatory fears. We also added TD Ameritrade, a discount broker poised to benefit from strong customer account growth and an eventual rise in interest rates.

In other trading, we sold and took gains in Omnicare, an institutional pharmacy, and Estee Lauder, a personal products company.

## Current Outlook and Positioning

In the Health Care sector, we believe national reform legislation will not be as bad for industry participants as many had feared. The Fund remains overweight to the sector and we expect good relative performance in the year ahead. In Information Technology, we continue to see good free cash flow and have taken advantage of attractive valuations in certain companies within the sector.

We anticipate continued, if marginally slower, economic growth throughout 2010. We believe profits will grow in 2010, supported by the improving economic backdrop, lean corporate cost structures, and easy year-ago comparisons. However, the rapid increase in stock prices from panic levels has left the market more fairly valued, with a need for confirmation through strong earnings growth. We anticipate profit growth, rather than multiple expansion, to drive equities in the next few quarters.

We see little evidence of inflation at this time but are closely monitoring that front due to current monetary policies and the economic rebound. Though we are watchful, without concrete evidence of real inflation, we see no need to take action. Interest rates remain low amidst nascent signs of upward pressure, but a measured and limited increase in rates is not necessarily bearish for equities.

Our outlook remains guardedly optimistic. Many factors suggest the outlook for the economy is positive: a steeply sloped yield curve, low interest rates and an accommodative Federal Reserve Board; companies reporting signs of stabilization in the economy; significant improvements in gross domestic product from a year ago; and strong balance sheets. In addition, stocks look attractively valued relative to bonds, based on yields, and there is plenty of cash on the sidelines.

Of course, there are many offsetting concerns: high unemployment; tepid consumer spending; a levered consumer; a sharply growing (and already high) Federal debt load; the prospect of higher taxes; a seemingly dysfunctional government; and, perhaps most concerning, high earnings expectations from Wall Street. Still, on balance, the positives noted previously hold a slight edge over the negatives in our view.

Our discipline of focusing the Fund's assets on higher-quality businesses selling at distressed valuations provides us with a portfolio of what we believe are fine businesses at attractive prices. At times, the market is not interested in companies like these, preferring to chase sectors or types of exposures that are in vogue at the moment. We are confident, however, that the value of these businesses will eventually come out, providing the Fund with satisfactory risk-adjusted performance.

Despite a brief pause early in the year, the sharp market rotation that commenced in March of 2009, favoring riskier, lower-quality companies and then cyclicals of all types, appears to have moderated. At present, there appears to be no single dominant theme, sector or group driving the market, as investors await earnings announcements.

As always, we remain disciplined in our investment approach for the Fund, emphasizing quality businesses at attractive valuations with favorable risk/reward ratios.

## Performance Review

Pioneer Mid Cap Value Fund Class A shares returned -10.68% at net asset value in the second quarter, compared with a return of -9.57% for the Fund's benchmark, the Russell Midcap Value Index.

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

---

June 30, 2010	(at NAV)	(at POP)
1 year	14.90%	8.30%
3 years	-9.70%	-11.47%
5 years	-0.68%	-1.85%
10 years	6.05%	5.43%

### Expense Ratio

---

(As of prospectus dated March 1, 2010)

Gross	1.43%
Net	1.43%

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.

POP returns reflect deduction of the maximum 5.75% sales charge at the beginning of the period. NAV results represent the percent change in net asset value per share. Returns would have been lower had sales charges been reflected. 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.

### A Word About Risk:

Investments in mid-sized companies may offer the potential for higher returns, but are also subject to greater short-term price fluctuations than larger, more established companies. 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.

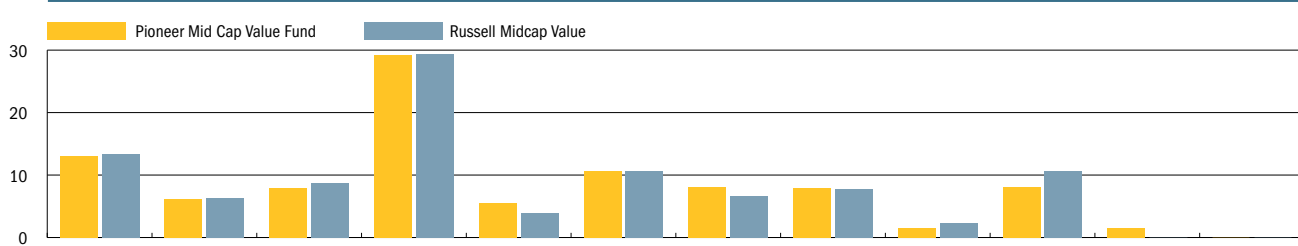
The Russell Midcap Value Index measures the performance of U.S. mid-cap value stocks. Index returns assume reinvestment of dividends and, unlike mutual fund returns, do not reflect any fees or expenses associated with a mutual fund. It is not possible to invest directly in an index.

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 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.

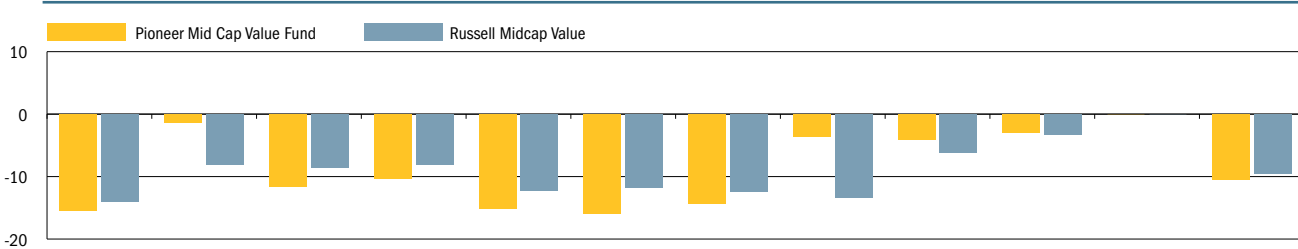
The Fund performance attribution information shown below does not reflect the deduction of fees, charges and expenses associated with investing in the Fund, such as sales charges, management fees, distribution and service (12b-1) fees, or any other fees associated with the Fund. Such expenses would reduce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

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

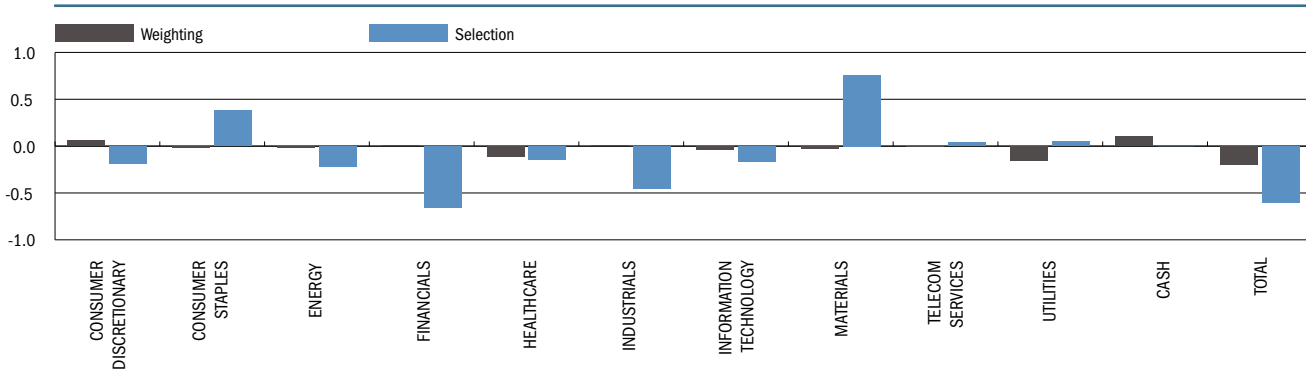
**Chart 1- Average Weight**



**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.

<b>Securities Discussed</b>	<b>% of Portfolio as of June 30, 2010</b>
Ball	1.64%
Baxter International	0.73%
El Paso	1.70%
Hershey	0.83%
Lazard	1.24%
Moody's	1.75%
Newmont Mining	1.02%
Public Service Enterprise Group	1.50%
SPX	1.09%
TD Ameritrade	0.93%
Textron	1.22%

<b>Top 10 Holdings</b>	<b>% of Portfolio as of June 30, 2010</b>
1. Unum	2.55 %
2. Sempra Energy	2.02 %
3. Northern Trust	2.01 %
4. Marsh & McLennan	1.81 %
5. Moody's	1.75 %
6. El Paso	1.70 %
7. Ball	1.64 %
8. CenturyLink	1.64 %
9. RenaissanceRe Holdings	1.55 %
10. Noble Affiliates	1.50 %

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 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.

## 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
------------------	----------------	-------------------