

# SECURITIES AND EXCHANGE COMMISSION

## FORM N-30D

Initial annual and semi-annual reports mailed to investment company shareholders pursuant to Rule 30e-1 (other than those required to be submitted as part of Form NCSR)

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### FILER

#### **PIONEER REAL ESTATE SHARES**

CIK: [908996](#) | IRS No.: [043201341](#) | State of Incorporation: **MA** | Fiscal Year End: **1231**  
Type: **N-30D** | Act: **40** | File No.: [811-07870](#) | Film No.: [96620432](#)

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Pioneer  
Real Estate  
Shares

Semiannual Report  
June 30, 1996

Pioneer Real Estate Shares

Dear Shareowner,

Pioneer Real Estate Shares completed the first half of its fiscal year on June 30. Domestic equity markets remained strong, thanks to a huge demand for -- and generally strong performance by -- technology issues. As a result, other industries, including real estate, were overlooked by investors and lagged the general market. As the period progressed, however, technology stocks became increasingly volatile and investors grew concerned with the market's ability to sustain their lofty prices.

This mood may help set the stage for investors to begin looking elsewhere for better values, which could be good news for real estate investment trusts (REITs). While risks relating to economic conditions and interest rate changes are an inevitable part of real estate investing, REITs also have the potential to move independently from the overall stock market, which may attract investors looking to diversify their portfolios.

Shifting focus to the Fund itself, shareowners approved Boston Financial Securities as the Fund's subadviser. We appreciate your support and are confident Boston Financial will be an important link in the chain of the Fund's success. For detailed voting results, please turn to page 14.

#### HOW YOUR FUND PERFORMED

For the six months ended June 30, 1996, we report the following:

- \* CLASS A SHARES -- Shareowners received income dividends totaling \$0.31 per share. Net asset value stood at \$12.32 per share on June 30, versus \$12.02 six months earlier, even after the payment of distributions. The Fund's six-month total return was 5.12% based on net asset value and -0.90% based on maximum public offering price. Total return assumes the reinvestment of all distributions at net asset value.

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AVERAGE ANNUAL TOTAL RETURNS  
(As of June 30, 1996)

Class A Shares	Net Asset Value	Public Offering Price*
-----	-----	-----
Life-of-Fund (10/25/93)	4.88%	2.59%
1 Year	13.51	6.98

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Pioneer Real Estate Shares introduced Class B shares and Class C shares to investors on January 31, 1996. Through June 30, they achieved the following results:

- \* CLASS B SHARES -- Shareowners received income dividends totaling \$0.29 per share. Net asset value stood at \$12.30 per share on June 30, versus the opening net asset value of \$12.09. Your Fund produced a total return of 4.18% if shares were held throughout the abbreviated period, 0.18% if shares were redeemed and the maximum 4% contingent deferred sales charge deducted on June 30.
- \* CLASS C SHARES -- Shareowners received income dividends totaling \$0.28 per share. Net asset value stood at \$12.31 per share on June 30, versus the opening net asset value of \$12.09. Your Fund produced a total return of 4.18% if shares were held throughout the abbreviated period, 3.18% if shares were redeemed and the 1% contingent deferred sales charge deducted on June 30.

#### A FAST-MOVING, VOLATILE STOCK MARKET

At the beginning of the semiannual period, the environment for stock investing was favorable. The low inflation and falling interest rates that existed throughout 1995 continued into 1996. Later in the period, however, better-than-expected employment reports sparked worries that the economy could be approaching a peak and that interest rates could rise further, triggering stock market volatility. Despite big price swings, the Dow Jones Industrial Average gained 11.75% for the semiannual period, and the broader-based Standard

& Poor's 500 (S&P 500) Index gained 10.08%. While these figures are solid, they were far below last year's huge run-up when the Dow jumped 20.37% in the first six months of 1995, and the S&P 500 returned 20.14%.

In the midst of all this, investors seeking some degree of comfort turned to large, familiar investments. More aggressive investors moved in and out of technology stocks, leaving many other companies out of the spotlight, including REITs. With the continued potential for heightened volatility, however, we think investors looking for value will turn to REITs. REITs remain attractively priced and continue to meet -- and in many cases, exceed -- their projected earnings. In addition, investors often

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\* Reflects deduction of the maximum 5.75% sales charge at the beginning of the period and assumes reinvestment of all distributions at net asset value.

Past performance does not guarantee future results. Return and share price fluctuate, and your shares, when redeemed, may be worth more or less than their original cost.

want the high yields REITs can offer, as they wait for longer-term growth.

#### HOW PIONEER MANAGED YOUR INVESTMENT

Pioneer Real Estate Shares invests for long-term capital growth, with quarterly income as a secondary objective. To select REITs and other real estate securities with the best prospects, your management focuses first on company basics such as balance sheets and income statements, quality management and favorable earnings potential. We review broader conditions, including the growth and income potential of different property types such as apartment complexes, warehouses and outlet malls. We also look at demographics such as population trends and job growth that could affect geographic preferences. To that end, we look to Boston Financial. Boston Financial brings the Fund in-depth expertise in a number of aspects of real estate, including property acquisitions and asset and property management.

Over the six months, your management saw signs of strong performance from hotels, particularly mid-to-upper tier, full-service hotels. We added Felcor Suite Hotels, a well-managed company with owner interests in 31 Embassy Suites and Doubletree Hotels located primarily in the South and Southwest. Felcor has entered into management contracts with Embassy to manage day-to-day operations, allowing it to focus on its acquisition and redevelopment strategy.

We continued to favor the increasingly popular office sector, an industry driven primarily by employment. With employment currently strong, so too is demand for office space, creating the potential for rents to increase. Generally, we think suburban markets currently offer greater potential than central business districts. We added Liberty Property Trust, a company involved with office and industrial properties along the Eastern seaboard. We continue to see good value in Spieker Properties, which owns interests in a diversified portfolio of industrial, office and retail properties in California and the Pacific Northwest.

Our research also shows us where not to buy. For example, we minimized holdings in healthcare. Although the industry is projected to grow with the aging of America's "baby boomers," we have concerns that many healthcare companies financed by REITs are growing too quickly and may eventually experience a default. In addition, most healthcare REITs lend money to build healthcare facilities. If the facility does not repay as scheduled, the REIT must foreclose on the property, which can become a lengthy and involved process. One exception is Nationwide Health Properties, a new addition to the portfolio that directly leases its properties to healthcare operators and therefore can simply replace the company if payments lag, rather than having to go through foreclosure proceedings.

#### LOOKING AHEAD

Debates will undoubtedly persist -- particularly in this election year -- as to whether financial markets will move higher, or whether they will reverse course. We believe no one can predict stock market movements into the future; however, we think it is likely the overall market will remain somewhat volatile near-term, especially given the uncertain outlook for interest rates, the strength of the economy and corporate earnings. Your management, however, does not get bogged down in market forecasting. Instead, we remain focused on what we think is the most effective way to invest for the long-term -- working with Boston Financial to identify individual REITs we think offer exceptional prospects. By doing so, we expect to give you an easy and convenient way to participate in the long-term potential of an enduring market sector.

One final note. We are pleased to announce that we are giving semiannual and annual reports a facelift, including easy-to-find and use graphic summaries. Your annual report dated December 31, 1996, will reflect these improvements. We also will begin sending you quarterly information, starting September 30, 1996, so you can have more up-to-date reports about your Fund. We wish to thank all of

you who took the time to respond to our questions about what you want to see in fund reports. Please read on through the following pages, which provide the Fund's audited Schedule of Investments and financial statements as of June 30, 1996. If you have any questions about your investment in Pioneer Real Estate Shares, please contact your investment representative or call Pioneer at 1-800-225-6292.

Respectfully,  
 /s/ John F. Cogan, Jr.  
 John F. Cogan, Jr.  
 Chairman,  
 Pioneer Real Estate Shares

Pioneer Real Estate Shares  
 Schedule of Investments  
 June 30, 1996

Shares		Value
-----		
	INVESTMENT IN SECURITIES -- 99.4%	
	REAL ESTATE INVESTMENT TRUSTS -- 91.2%	
61,300	Bedford Property Investors, Inc. ....	\$ 827,550
5,000	Belmont Homes, Inc.* .....	108,125
40,000	Bradley Real Estate Trust .....	580,000
70,000	CenterPoint Properties Corp. ....	1,697,500
20,000	Cousins Properties, Inc. ....	392,500
37,000	Developers Diversified Realty Corp. ....	1,179,375
50,000	Duke Realty Investments, Inc. ....	1,512,500
125,300	Equity Inns, Inc. ....	1,440,950
10,000	Equity Residential Property .....	328,750
43,000	Felcor Suite Hotels Inc. ....	1,311,500
58,000	Gables Residential Trust .....	1,363,000
45,000	Highwoods Properties, Inc. ....	1,243,125
85,000	HGI Realty, Inc. ....	1,742,500
54,100	JP Realty, Inc. ....	1,156,387
52,500	Liberty Property Trust .....	1,043,438
60,500	Merry Land & Investment Co., Inc. ....	1,270,500
60,000	National Golf Properties, Inc. ....	1,455,000
51,900	Nationwide Health Properties, Inc. ....	1,096,388
9,400	Post Properties, Inc. ....	332,525
63,800	Public Storage, Inc. ....	1,315,875
53,400	Spieker Properties, Inc. ....	1,455,150
25,000	Storage Trust Realty .....	512,500
60,000	Sun Communities, Inc. ....	1,612,500
67,500	Wellsford Residential Properties Trust .....	1,518,750
		-----
		\$26,496,388
		-----
	REAL ESTATE SERVICES -- 8.2%	
140,000	Amresco, Inc. ....	\$ 2,397,500
		-----
	TOTAL INVESTMENT IN SECURITIES -- (Cost \$26,267,352) ...	\$28,893,888
		-----

The accompanying notes are an integral part of these financial statements.

Pioneer Real Estate Shares  
 Schedule of Investments  
 June 30, 1996 (continued)

Principal Amount		Value
-----		
	TEMPORARY CASH INVESTMENT -- 0.6%	
	COMMERCIALPAPER -- 0.6%	
\$171,000	Ford Motor Credit Co., 5.50%, 7/1/96 .....	\$ 171,000
		-----
	TOTAL TEMPORARY CASH INVESTMENT (Cost \$171,000) .....	\$ 171,000
		-----
	TOTAL INVESTMENT IN SECURITIES AND	
	TEMPORARY CASH INVESTMENT -- 100%	
	(Cost \$26,438,352) (a) (b) .....	\$29,064,888
		=====

\* Non-income producing security.

(a) At June 30, 1996, the net unrealized gain on investments based on cost for federal income tax purposes of \$26,438,352 was as follows:

Aggregate gross unrealized gain for all investments in which there is an excess of value over tax cost ..... \$ 3,513,330

Aggregate gross unrealized loss for all investments in which there is an excess of tax cost over value ..... (886,794)

Net unrealized gain ..... \$ 2,626,536  
=====

(b) At December 31, 1995, the Fund had a net capital loss carryforward of \$584,636 which will expire in 2003 if not utilized.

Purchases and sales of securities (excluding temporary cash investments) for the six months ended June 30, 1996 aggregated \$8,600,709 and \$7,655,750, respectively.

The accompanying notes are an integral part of these financial statements.

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Pioneer Real Estate Shares  
Balance Sheet  
June 30, 1996

ASSETS:

Investment in securities, at value (including temporary cash investment of \$171,000) (cost \$26,438,352; see Schedule of Investments and Note 1) .....	\$ 29,064,888
Cash .....	442
Receivables --	
Investment securities sold .....	1,245,940
Dividends and interest .....	303,852
Fund shares sold .....	434,354
Organizational cost -- net (Note 1) .....	46,598
Other .....	11,967
	-----
Total assets .....	\$ 31,108,041
	-----

LIABILITIES:

Payables --	
Investment securities purchased .....	\$ 1,107,500
Fund shares repurchased .....	3,490
Due to affiliates (Notes 2, 3 and 4) .....	40,781
Accrued expenses .....	42,908
	-----
Total liabilities .....	\$ 1,194,679
	-----

NET ASSETS:

Paid-in capital (Note 1) .....	\$ 28,654,251
Distributions in excess of net investment income (Note 1) .....	(1,291)
Accumulated net realized loss on investments (Note 1) .....	(1,366,134)
Net unrealized gain on investments (Note 1) .....	2,626,536
	-----
Total net assets .....	\$ 29,913,362
	=====

NET ASSET VALUE PER SHARE:

Class A -- (based on \$28,700,860 / 2,328,941 shares of beneficial interest outstanding -- unlimited number of shares authorized) .....	\$12.32
	=====
Class B -- (based on \$798,352 / 64,895 shares of beneficial interest outstanding -- unlimited number of shares authorized) .....	\$12.30
	=====
Class C -- (based on \$414,150 / 33,650 shares of beneficial interest outstanding -- unlimited number of shares authorized) .....	\$12.31
	=====

MAXIMUM OFFERING PRICE:

Class A .....	\$13.07
	=====

The accompanying notes are an integral part of these financial statements.

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Pioneer Real Estate Shares  
Statement of Operations  
For the Six Months Ended June 30, 1996

INVESTMENT INCOME (NOTE 1):

Dividends .....	\$ 962,177
Interest .....	4,104
	-----
Total investment income .....	\$ 966,281

EXPENSES:	
Management fees (Note 2) .....	\$ 140,044
Distribution fees (Note 4)	
Class A .....	24,570
Class B .....	1,463
Class C .....	993
Transfer agent fees (Note 3)	
Class A .....	33,895
Class B .....	444
Class C .....	359
Registration fees .....	22,898
Professional fees .....	48,535
Accounting (Note 2) .....	27,966
Custodian fees .....	9,105
Printing .....	11,585
Organizational costs (Note 1) .....	8,994
Fees and expenses of nonaffiliated trustees .....	5,625
Miscellaneous .....	8,098
	-----
Total expenses .....	\$ 344,574
	-----
Less fees paid indirectly (Note 5) .....	(3,386)
Less management fees waived by Pioneering Management Corporation (Note 2) .....	(94,260)
	-----
Net expenses .....	\$ 246,928
	-----
Net investment income .....	\$ 719,353
	-----

REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS:

Net realized loss on investments .....	\$ (781,498)
Change in unrealized gain on investments .....	1,480,676
	-----
Net gain on investments .....	\$ 699,178
	-----
Net increase in net assets resulting from operations .....	\$ 1,418,531
	=====

The accompanying notes are an integral part of these financial statements.

Pioneer Real Estate Shares  
Statements of Changes in Net Assets  
For the Six Months Ended June 30, 1996 and the Year Ended December 31, 1995  
<TABLE>  
<CAPTION>

	Six Months Ended June 30, 1996	Year Ended December 31, 1995
	-----	-----
<S>	<C>	<C>
FROM OPERATIONS:		
Net investment income .....	\$ 719,353	\$ 725,611
Net realized loss on investments .....	(781,498)	(590,962)
Change in net unrealized gain on investments .....	1,480,676	2,858,800
	-----	-----
Net increase in net assets resulting from operations .....	1,418,531	\$ 2,993,449
	-----	-----
DISTRIBUTIONS TO SHAREHOLDERS:		
From net investment income		
Class A (\$0.31 and \$0.33 per share, respectively) .....	(703,646)	\$ (725,611)
Class B (\$0.28 and \$0.00 per share, respectively) .....	(10,031)	--
Class C (\$0.26 and \$0.00 per share, respectively) .....	(5,676)	--
In excess of net investment income		
Class A (\$0.00 and \$0.02 per share, respectively) .....	(71)	(56,360)
Class B (\$0.01 and \$0.00 per share, respectively) .....	(420)	--
Class C (\$0.02 and \$0.00 per share, respectively) .....	(800)	--
From tax return of capital		
Class A (\$0.00 and \$0.34 per share, respectively) .....	--	(781,598)
From net realized gain		
Class A (\$0.00 and \$0.00 per share, respectively) .....	--	(3,966)
	-----	-----
Decrease in net assets resulting from distributions to shareholders .....	\$ (720,644)	\$ (1,567,535)
	-----	-----
FROM FUND SHARE TRANSACTIONS:		
Net proceeds from sale of shares .....	\$ 6,005,289	\$ 6,726,489
Net asset value of shares issued to shareholders		
in reinvestment of distributions .....	575,010	1,210,135
Cost of shares repurchased .....	(4,855,972)	(9,939,492)
	-----	-----

Net increase (decrease) in net assets resulting from fund share transactions .....	\$ 1,724,327	\$ (2,002,868)
Net increase (decrease) in net assets .....	2,422,214	\$ (576,954)
NET ASSETS:		
Beginning of period .....	27,491,148	28,068,102
End of period (including distributions in excess of net investment income of \$1,291 and \$0, respectively) .....	\$ 29,913,362	\$ 27,491,148

</TABLE>

The accompanying notes are an integral part of these financial statements.

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Pioneer Real Estate Shares  
Statements of Changes in Net Assets  
For the Six Months Ended June 30, 1996 and the Year Ended December 31, 1995  
(Continued)

<TABLE>  
<CAPTION>

	Six Months Ended June 30, 1996		Year Ended December 31, 1995	
	Shares	Amount	Shares	Amount
<S>	<C>	<C>	<C>	<C>
CLASS A				
Shares sold .....	393,436	\$ 4,786,986	594,169	\$ 6,726,489
Shares issued to shareholders in reinvestment of distributions .....	46,210	562,319	105,171	1,210,135
Less shares repurchased .....	(397,841)	(4,823,296)	(879,454)	(9,939,492)
Net increase (decrease) .....	41,805	\$ 526,009	(180,114)	\$ (2,002,868)
CLASS B*				
Shares sold .....	66,863	\$ 815,907		
Shares issued to shareholders in reinvestment of distributions .....	686	8,370		
Less shares repurchased .....	(2,654)	(32,337)		
Net increase .....	64,895	\$ 791,940		
CLASS C*				
Shares sold .....	33,323	\$ 402,396		
Shares issued to shareholders in reinvestment of distributions .....	355	4,321		
Less shares repurchased .....	(28)	(339)		
Net increase .....	33,650	\$ 406,378		

<FN>

\* Class B and Class C shares were first publicly offered on January 31, 1996.

</FN>

</TABLE>

The accompanying notes are an integral part of these financial statements.

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Pioneer Real Estate Shares  
Financial Highlights -- Selected Data For a Share Outstanding  
For the Periods Presented

<TABLE>  
<CAPTION>

	Six Months Ended June 30, 1996	Year Ended December 31, 1995	Six Months Ended December 31, 1994	October 25, 1993 to June 30, 1994
<S>	<C>	<C>	<C>	<C>
CLASS A				
Net asset value, beginning of period .....	\$ 12.02	\$ 11.38	\$ 12.02	\$ 12.50
Increase (decrease) from investment operations:				
Net investment income .....	\$ 0.31	\$ 0.32	\$ 0.21	\$ 0.27
Net realized and unrealized gain (loss) on investments .....	0.30	1.01	(0.48)	(0.45)
Net increase (decrease) from investment operations .....	\$ 0.61	\$ 1.33	\$ (0.27)	\$ (0.18)
Distributions to shareholders:				
From net investment income .....	(0.31)	(0.33)	(0.20)	(0.27)
In excess of net investment income .....	--	(0.02)	--	--
From tax return of capital .....	--	(0.34)	(0.15)	(0.03)
From net realized gain .....	--	--	(0.02)	--

Net increase (decrease) in net asset value .....	\$ 0.30	\$ 0.64	\$ (0.64)	\$ (0.48)
Net asset value, end of period .....	\$ 12.32	\$ 12.02	\$ 11.38	\$ 12.02
Total return * .....	5.12%	12.11%	(2.16)%	(1.47)%
Ratio of net expenses to average net assets .....	1.77%***	1.77%+	1.75%**	1.71%**
Ratio of net investment income to average net assets .....	5.10%***	2.73%+	3.72%**	3.73%**
Portfolio turnover rate .....	54.97%**	9.63%	17.40%**	23.98%**
Average commission rate paid per exchange listed transaction .....	\$0.0574	--	--	--
Net assets, end of period (in thousands) .....	\$28,701	\$27,491	\$28,068	\$ 29,584
Ratios assuming no waiver of management fees and assumption of expenses by PMC and no reduction for fees paid indirectly:				
Net expenses .....	2.45%**	2.59%	2.27%**	2.15%**
Net investment income .....	4.42%**	1.91%	3.20%**	3.28%**
Ratios assuming waiver of management fees and assumption of expenses by PMC and reduction for fees paid indirectly:				
Net expenses .....	1.75%**	1.75%	--	--
Net investment income .....	5.12%**	2.75%	--	--

<FN>

+ Ratios assuming no reduction for fees paid indirectly.

++ Subsequent to December 31, 1994, the Fund's year end was changed to December 31.

\* Assumes initial investment at net asset value at the beginning of each period, reinvestment of all distributions, the complete redemption of the investment at net asset value at the end of each period and no sales charges. Total return would be reduced if sales charges were taken into account.

\*\* Annualized.

</FN>

</TABLE>

The accompanying notes are an integral part of these financial statements.

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Pioneer Real Estate Shares  
Financial Highlights -- Selected Data For a Share Outstanding  
For the Periods Presented (Continued)

<TABLE>

<CAPTION>

	January 31, 1996 to June 30, 1996	January 31, 1996 to June 30, 1996
	CLASS B***	CLASS C***
<S>	<C>	<C>
Net asset value, beginning of period .....	\$ 12.09	\$ 12.09
Increase from investment operations:		
Net investment income .....	\$ 0.28	\$ 0.26
Net realized and unrealized gain on investments .....	0.22	0.24
Net increase from investment operations .....	\$ 0.50	\$ 0.50
Distributions to shareholders:		
From net investment income .....	\$ (0.28)	\$ (0.26)
In excess of net investment income .....	(0.01)	(0.02)
Net increase in net asset value .....	\$ 0.21	\$ 0.22
Net asset value, end of period .....	\$ 12.30	\$ 12.31
Total return * .....	4.18%	4.18%
Ratio of net expenses to average net assets .....	2.65%***	2.71%***
Ratio of net investment income to average net assets .....	6.75%***	5.64%***
Portfolio turnover rate .....	54.97%**	54.97%**
Average commission rate paid per exchange listed transaction .....	\$0.0574	\$0.0574
Net assets, end of period (in thousands) .....	\$ 798	\$ 414
Ratios assuming no waiver of management fees by PMC and no reduction for fees paid indirectly:		
Net expenses .....	3.23%**	3.31%**
Net investment income .....	6.17%**	5.04%**
Ratios assuming waiver of management fees by PMC and no reduction for fees paid indirectly:		
Net expenses .....	2.62%**	2.66%**
Net investment income .....	6.78%**	5.69%**

<FN>

+ Ratios assuming no reduction for fees paid indirectly.

\* Assumes initial investment at net asset value at the beginning of each period, reinvestment of all distributions, the complete redemption of the investment at net asset value at the end of each period and no sales charges. Total return would be reduced if sales charges were taken into account.

\*\* Annualized.

\*\*\* Class B and Class C shares were first publicly offered on January 31, 1996.

The accompanying notes are an integral part of these financial statements.

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Pioneer Real Estate Shares  
Notes to Financial Statements  
June 30, 1996

1. Pioneer Real Estate Shares (the Fund) is a Delaware business trust registered under the Investment Company Act of 1940 as a non-diversified, open-end management investment company. The investment objective of the Fund is to seek long-term growth of capital. Current income is a secondary objective.

The Board of Trustees (the Trustees) has authorized the issuance of three share classes of the Fund, designated as Class A, Class B and Class C shares. Class B and C shares were first publicly offered on January 31, 1996. The shares of Class A, Class B and Class C represent an interest in the same portfolio of investments of the Fund and have equal rights to voting, redemptions, dividends and liquidation, except that each class of shares can bear different transfer agent and distribution fees and have exclusive voting rights with respect to the distribution plans that have been adopted by Class A, Class B and Class C shareholders, respectively.

The Fund's financial statements have been prepared in conformity with generally accepted accounting principles that require the management of the Fund to, among other things, make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. The following is a summary of significant accounting policies consistently followed by the Fund, which are in conformity with those generally accepted in the investment company industry:

A. Security Valuation -- Security transactions are recorded on trade date. Each day, securities are valued at the last sale price on the principal exchange where they are traded. Securities that have not traded on the date of valuation, or securities for which sale prices are not generally reported, are valued at the mean between the last bid and asked prices. Securities for which market quotations are not readily available are valued at their fair values as determined by, or under the direction of, the Trustees. Temporary cash investments are valued at amortized cost. Dividend income is recorded on the ex-dividend date and interest income is recorded on the accrual basis

Because the Fund may invest a substantial portion of its assets in Real Estate Investment Trusts (REITs), the Fund may be subject to certain risks associated with direct investments in REITs. REITs may be affected by changes in the value of their underlying properties and by defaults by borrowers or tenants. REITs depend generally on their ability to generate cash flow to make distributions to shareholders, and certain REITs have self-liquidation provisions by which mortgages held may be paid in full and distributions of capital returns may be made at any time. In addition, the performance of a REIT may be affected by its failure to qualify for tax-free pass-through of income under the Internal Revenue Code or its failure to maintain exemption from registration under the Investment Company Act of 1940.

Gains and losses from sales of investments are calculated on the "identified cost" method for both financial reporting and federal income tax purposes. It is the Fund's practice first to select for sale those securities that have the highest cost and also qualify for long-term capital gain or loss treatment for tax purposes.

B. Federal Income Taxes -- It is the policy of the Fund to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its taxable income and net realized capital gains, if any, to its shareholders. Therefore, no federal income tax provision is required.

The characterization of distributions to shareholders for financial reporting purposes is determined in accordance with income tax rules. Therefore, the source of the Fund's distributions may be shown in the accompanying financial statements as either from or in excess of net investment income or net realized gain on investment transactions, or from paid-in-capital, depending on the type of book/tax differences that may exist.

A portion of the dividend income recorded by the Fund is from distributions by publicly traded REITs and such distributions for tax purposes may consist of capital gains and return of capital. The actual return of capital and capital gains portions of such distributions will be determined by formal notifications from the REITs subsequent to the calendar year-end. Distributions received from the REITs, that are determined to be a return of capital, are recorded by the Fund as a reduction of the cost basis of the securities held. The character of such distributions, for tax purposes, is determined by the Fund based on

Pioneer Real Estate Shares  
Notes To Financial Statements  
June 30, 1996 (Continued)

C. Fund Shares -- The Fund records sales and repurchases of its shares on the trade date. Net losses, if any, as a result of cancellations are absorbed by Pioneer Funds Distributor, Inc. (PFD), the principal underwriter for the Fund and an indirect wholly owned subsidiary of The Pioneer Group, Inc. (PGI). PFD earned \$17,705 in underwriting commissions on the sale of fund shares during the six months ended June 30, 1996. Distributions to shareholders are recorded as of the ex-dividend date. Distributions paid by the Fund, if any, with respect to each class of shares are calculated in the same manner, at the same time, on the same day and in the same amount, except that Class A, Class B and Class C shares bear different transfer agent and distribution fees.

D. Class Allocations -- Distribution fees are calculated based on the average daily net asset value attributable to Class A, Class B and Class C shares of the Fund, respectively. Shareholders of each class share all expenses and fees paid to the transfer agent, Pioneering Services Corporation (PSC), for their services, which are allocated based on number of accounts in each class and the ratable allocation of related out-of-pocket expense (see Note 3). Income, common expenses and realized and unrealized gains and losses are calculated at the Fund level and allocated daily to each class of shares based on the respective percentage of adjusted net assets at the beginning of the day.

E. Organization Costs -- The costs incurred by the Fund in connection with its organization have been deferred and are amortized on a straight-line basis over a period of five years.

2. Pioneering Management Corporation (PMC), the Fund's investment adviser, manages the Fund's portfolio and is a wholly owned subsidiary of PGI. Management fees are calculated daily at the annual rate of 1.00% of the Fund's average daily net assets.

PMC has agreed not to impose a portion of its management fees and to assume other operating expenses for the Fund to the extent necessary to limit the Fund's expenses to 1.75% of average daily net assets attributable to Class A shares; the portion of the Fund-wide expenses attributable to Class B and Class C shares were reduced only to the extent that such expenses were reduced for Class A shares.

In addition, under the management agreement, certain other services and costs, including accounting, regulatory reporting and insurance premiums, are paid by the Fund. Included in due to affiliates are \$13,200 and \$5,727 in management fees and accounting fees, respectively, payable to PMC at June 30, 1996.

3. PSC, a wholly owned subsidiary of PGI, provides substantially all transfer agent and shareholder services to the Fund, at negotiated rates. Included in due to affiliates is \$8,298 in transfer agent fees payable to PSC at June 30, 1996.

4. The Fund adopted a Plan of Distribution for each class of shares (Class A Plan, Class B Plan and Class C Plan) in accordance with Rule 12b-1 of the Investment Company Act of 1940. Pursuant to the Class A Plan, the Fund pays PFD a service fee of up to 0.25% of the Fund's average daily net assets in reimbursement of its actual expenditures to finance activities primarily intended to result in the sale of Class A shares. Pursuant to the Class B Plan and Class C Plan, the Fund pays PFD 1.00% of the average daily net assets attributable to each class of shares. The fee consists of a 0.25% service fee and a 0.75% distribution fee paid as compensation for personal services and/or account maintenance services or distribution services with regard to Class B and Class C shares. Included in due to affiliates is \$13,556 in distribution fees payable to PFD at June 30, 1996.

In addition, redemptions of each class of shares may be subject to a contingent deferred sales charge (CDSC). A CDSC of 1.00% may be imposed on certain net asset value purchases of Class A shares that are redeemed within one year of purchase. Class B shares that are redeemed within six years of purchase are subject to a CDSC at declining rates beginning at 4.0%, based on the lower of cost or market value of shares being redeemed. Redemptions of Class C shares within one year of purchase are subject to a CDSC of 1.00%. Proceeds from the CDSC are paid to PFD. For the period ended June 30, 1996, no CDSCs were paid to PFD.

5. The Fund has entered into certain expense offset arrangements resulting in a reduction in the Fund's total expenses. For the six months ended June 30, 1996, the Fund's expenses were reduced by \$3,386 under such arrangements.

To the Shareholders and the Board of Trustees of Pioneer Real Estate Shares:

We have audited the accompanying balance sheet of Pioneer Real Estate Shares, including the schedule of investments, as of June 30, 1996, and the related statements of operations, the changes in net assets and financial highlights for the periods presented. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of June 30, 1996 by correspondence with the custodian. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Pioneer Real Estate Shares as of June 30, 1996, the results of its operations, the changes in its net assets and financial highlights for the periods presented, in conformity with generally accepted accounting principles.

ARTHUR ANDERSEN LLP

Boston, Massachusetts  
August 1, 1996

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Pioneer Real Estate Shares  
Results of March 5, 1996 Shareowner Meeting (Unaudited)

On March 5, 1996, Pioneer Real Estate Shares held a special meeting of shareowners. All Proposals were approved by shareowner vote. Following are the detailed results of the vote for each Proposal presented.

PROPOSAL 1 -- APPROVE A NEW SUBADVISORY AGREEMENT WITH BOSTON FINANCIAL SECURITIES, INC.

Affirmative	1,433,575.011
Against	23,468.640
Abstain	43,349.738

PROPOSAL 2 -- RATIFY THE SELECTION OF ARTHUR ANDERSEN LLP AS THE FUND'S INDEPENDENT PUBLIC ACCOUNTANTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 1996.

Affirmative	1,442,820.984
Against	16,849.979
Abstain	40,722.426

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PIONEER REAL ESTATE SHARES  
60 State Street  
Boston, Massachusetts 02109

OFFICERS

JOHN F. COGAN, JR., Chairman and Chief Executive Officer  
DAVID D. TRIPPLE, Executive Vice President  
ROBERT W. BENSON, Vice President  
STEPHEN G. KASNET, Vice President  
WILLIAM H. KEOUGH, Treasurer  
JOSEPH P. BARRI, Secretary

TRUSTEES

JOHN F. COGAN, JR.  
RICHARD H. EGDAHL, M.D.  
MARGARET B. W. GRAHAM  
STEPHEN G. KASNET  
JOHN W. KENDRICK  
MARGUERITE A. PIRET  
FRED N. PRATT, JR.  
DAVID D. TRIPPLE  
STEPHEN K. WEST  
JOHN WINTHROP

SHAREHOLDER

SERVICES AND  
TRANSFER AGENT  
Pioneering Services Corporation  
60 State Street  
Boston, Massachusetts  
02109

PRINCIPAL UNDERWRITER

PIONEER FUNDS  
DISTRIBUTOR, INC.

INVESTMENT ADVISER  
PIONEERING MANAGEMENT  
CORPORATION

LEGAL COUNSEL  
Hale and Dorr

INDEPENDENT PUBLIC ACCOUNTANTS  
ARTHUR ANDERSEN LLP

CUSTODIAN  
BROWN BROTHERS  
HARRIMAN & CO.

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Please call Pioneer for information on:

Existing accounts, new accounts,  
prospectuses, applications,  
and service forms..... 1-800-225-6292  
Fund yields and prices..... 1-800-225-4321  
Toll-free fax..... 1-800-225-4240  
Retirement plans..... 1-800-622-0176  
Telecommunications Device for the Deaf (TDD)..... 1-800-225-1997  
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When distributed to persons who are not shareowners of the Fund, this report must be accompanied by a current prospectus, which discusses the objectives, policies, sales charges and other information about the Fund.

0896-3594  
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