

PIMCO

Charting the Year Ahead 2027

# How Can Investors Potentially Restore Balance?

As AI concentration reshapes markets, tax-aware diversifying strategies may help investors seek to restore balance and broaden opportunities.

## Understand AI exposure

AI-related concentration can extend into areas such as credit, infrastructure, and real estate.

**Ideas to explore:** assess AI exposure across the whole portfolio.

## Look beyond the equity index

Many portfolios may rely heavily on the largest index names for exposure to individual companies, sectors, and factors.

**Ideas to explore:** look past market leaders to companies, sectors, and factors.

## Explore relative value in dispersion

Differences across rates, currencies, credit, commodities, and securities may create opportunities.

**Ideas to explore:** strategies that seek returns less dependent on broad market direction.

## Be more selective in credit

A credit default cycle is underway, with leveraged and rate-sensitive borrowers most exposed.

**Ideas to explore:** strong balance sheets, structural protections, secured financing, and agency MBS.

## Diversify with commodities

Commodities can respond differently than stocks and bonds to inflation as well as geopolitical and supply shocks.

**Ideas to explore:** a broad mix of commodities and real assets, rather than just recent strong performers.

## Where should the next dollar go?

Look beyond market-cap-weighted indices, find opportunity in dispersion, be selective in credit, and add assets with different risk drivers.

**2027 may reward broader sources of return.**

**For Illustrative Purposes Only**

Source: Charting the Year Ahead: Investment Ideas for 2027 as of November 17, 2026.

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