

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 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: assess AI exposure across the whole portfolio

Diversify with commodities dispersion

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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