PIMCO

Patience Yields Results

Though Short-Term Returns Can Vary, Long-Term Returns Tend to Anchor on Starting Yields

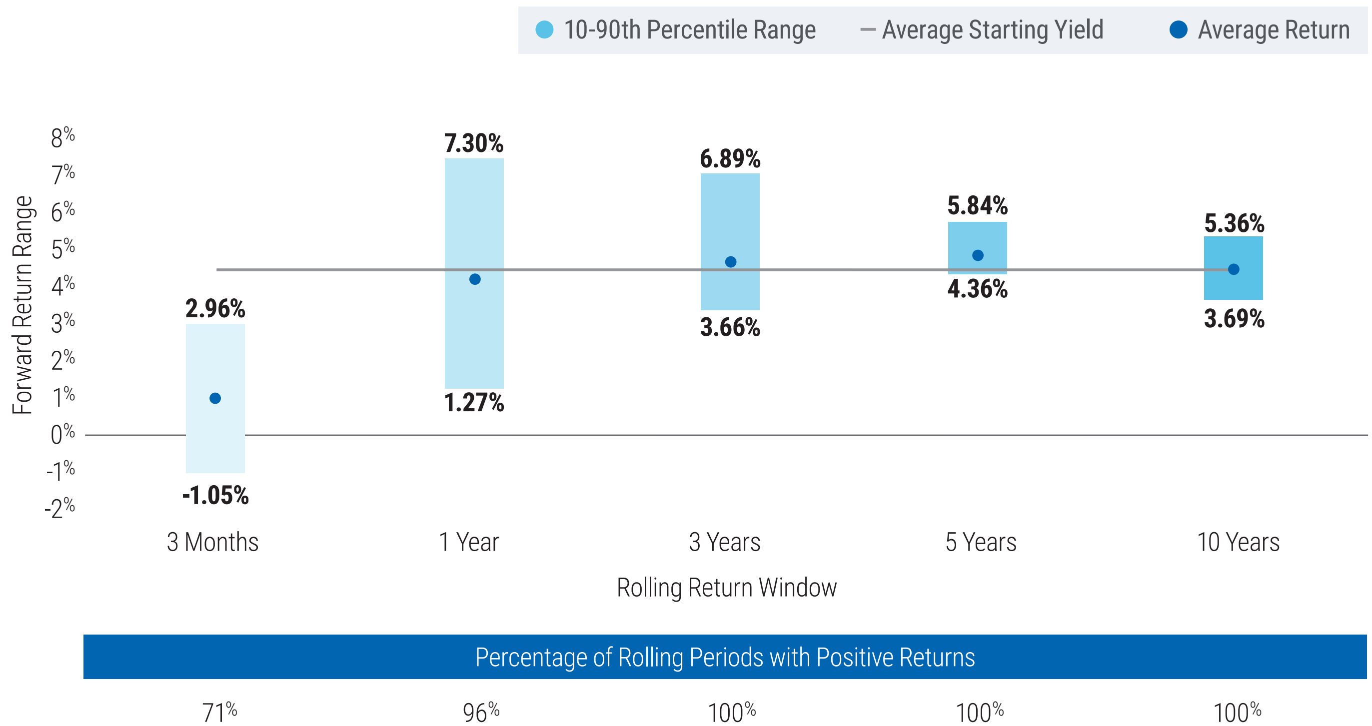
WHAT WE THINK:

- **Short Term Inflation Pressures, Long Term Near Target:** Energy shock lifts near term inflation risks, but tighter financial conditions limit sustained pressure on inflation.
- **Resilient but Uneven Growth:** Global growth, largely supported by AI, remains resilient though recession risks have risen.
- **Policy Tug of War:** Central banks are unlikely to go along with the market's expectations; high debt levels limit fiscal capacity to offset shocks.

WHAT IT MEANS FOR INVESTORS:

Despite the potential for near-term volatility, data suggests that current yields more consistently reward patient, long-term fixed income investors with returns near their starting yields as their time horizon grows.

Bloomberg U.S. Aggregate Return Distribution when starting yields are between 4-5%



As of 30 June 2026; Source: Bloomberg, PIMCO.
Past performance is not a guarantee nor a reliable indicator of future performance.
Yield and return are shown for the Bloomberg U.S. Aggregate Bond Index since its inception.
Refer to Appendix for additional index and risk information.

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Bloomberg U.S. Aggregate Index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis. It is not possible to invest directly in an unmanaged index.

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