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# Patience Yields Results

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

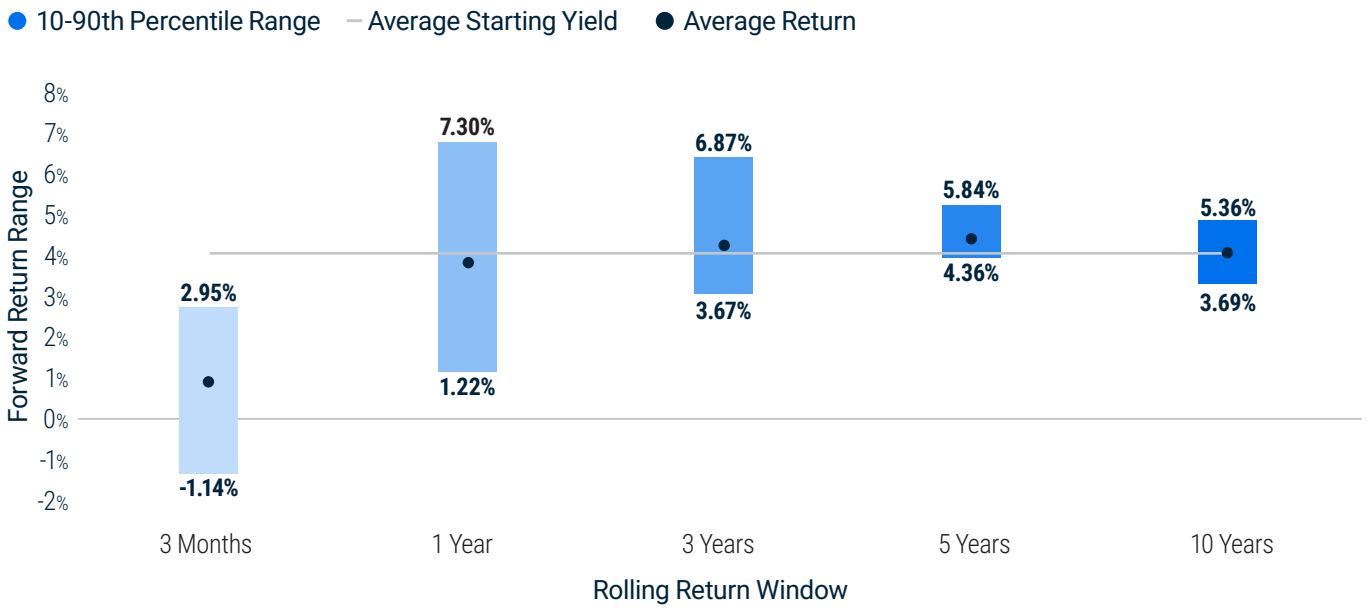
### WHAT WE THINK:

- **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%**




| Percentage of Rolling Periods with Positive Returns | | | | |
|---|---|---|---|---|
| 69% | 95% | 100% | 100% | 100% |

As of 30 September 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.

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