

# CIO View Portfolio: Perspectives



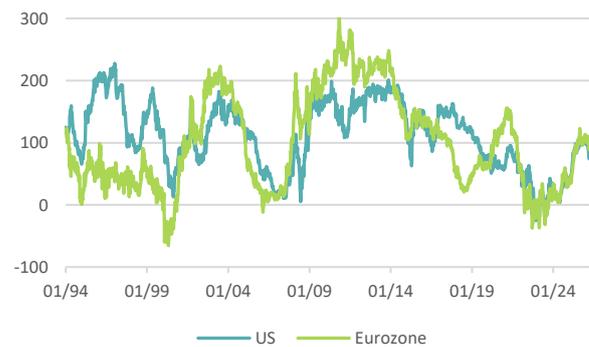
Vincenzo Vedda  
Chief Investment Officer

In our monthly Multi-Asset update we show the implementation of our CIO View in the CIO View model portfolio.

## Idea of the month

We do not believe the steepening narrative is finished. A true reversal would require short-term rates to rise much more than currently priced in, which still seems unlikely. Historical evidence in the post-2014 term-premium regime suggests that curves can steepen further than in the pre-2014 environment. Term premium rebuilding therefore appears incomplete, especially amid rising political pressure on central banks and a renewed increase in global fiscal dominance, particularly in the U.S. and Japan. Accordingly, our curve steepening bias remains, with a preference for 5s30s given positive carry. In the Eurozone, higher bond issuance driven by defense, infrastructure and green transition spending adds further upward pressure on long-end yields.

### 5s/30s curve steepness in the U.S. and the Eurozone



Source: Bloomberg Finance L.P., DWS Investment GmbH as of 3/31/26

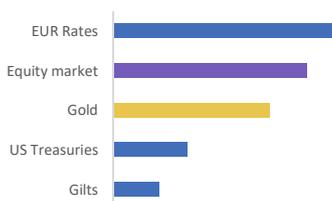
## Our take on Duration & Risk

### Risk

Our base case assumes a contained escalation of the Iran conflict. Oil prices at 80 to 100 USD/bbl for weeks or a few months should have only a modest impact on global growth. History shows that geopolitical shocks rarely trigger lasting equity bear markets without persistent oil shocks. We do not expect the Iran war to derail the economy in 2026. Growth remains constructive but uneven. The U.S. seems relatively resilient; Europe and parts of Asia are more negatively exposed. Diversification remains crucial, with regional and sector positioning more important than equity exposure alone.

### We keep our risk preference stance at +1

#### Top 5 active risks



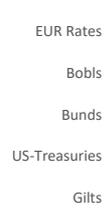
#### Overall risk



Source: DWS Investment GmbH as of April 1, 2026

### We stick to our neutral duration stance

#### Active fixed income risk contribution



#### Overall duration



Source: DWS Investment GmbH as of April 1, 2026

### Duration

Given elevated uncertainty, we assess duration vs. equity risk in a multi-asset framework. As we think equities offer the more attractive risk-return profile, we maintain neutral duration with a positive bias and stick to a steepening view, especially in 5s30s. In EUR duration, higher Bund yields may offer better risk-reward, while much of the ECB tightening risk appears priced. Growth concerns, fiscal lags, tariff risks and diversification flows into EUR fixed income remain relevant. In USD duration, we favor the front end; 10y USTs at 4.4-4.5% seem attractive.

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## What's up in the segments?

### Diversification remains key. We highlight +1 for Japan equities.

We stay invested with a risk preference of +1 while keeping dry powder for corrections. In 2026, positioning across regions, sectors and styles is likely more important than the pure equity quota. Following the recent setback, we think some liquidity could be deployed in de-risked equity markets. Earnings expectations for 2026/27 continue to rise, and geopolitical shocks have in recent history faded after a few weeks. Our +1 stance would be challenged if sustained higher energy prices hurt valuations, employment and EPS evolution, similar to Q2 to Q4 2022. The Q1 2026 earnings season is starting, with analysts expecting over 11% y-o-y EPS growth for the S&P 500, driven by IT, Financials and Materials. Emerging Markets earnings are seen at +23%, Europe at around +4%, with no material impact from the Iran conflict so far. Despite ongoing risks from inflation, elections and weaker sentiment, valuations look more attractive to us and volatility may already price in many risks. We stick to a +1 for Emerging Markets, rate Japan +1 within developed markets, and remain Neutral on the U.S. and Europe. We maintain a positive sector tilt, highlighting Health Care at +1. We upgrade Energy to +1 as a hedge against higher oil prices if things move in the wrong direction and keep Value as our preferred style given attractive valuations, earnings growth and diversification benefits. Looking at bonds, we keep a bias for the front of the curve as too many hikes / not enough cuts seem to be priced in. In currencies, we have become more positive on the euro again but assume that the road could be bumpy.

#### What to expect from central banks?

Market expectations for Fed Funds (%), SOFR futures)



Source: Bloomberg Finance L.P., DWS Investment GmbH as of 3/31/26

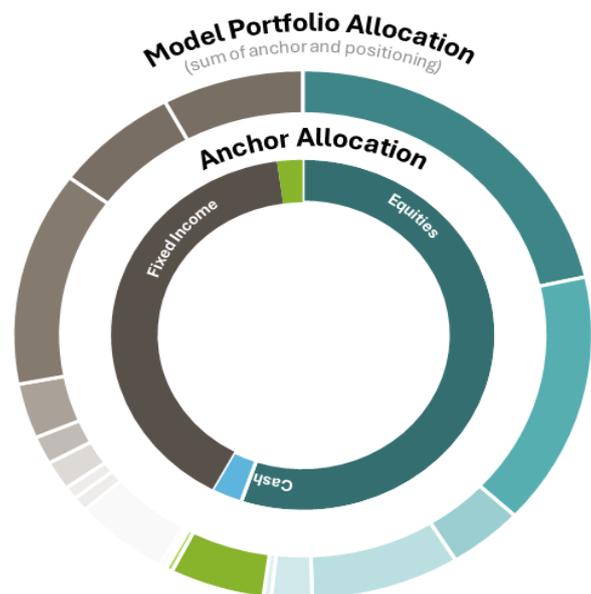
Expected market pricing (in %) for ECB cuts/hikes



Source: Bloomberg Finance L.P., DWS Investment GmbH as of 3/31/26

## CIO View Model Portfolio positioning vs. anchor

This allocation shows how we implement the above-mentioned CIO View into a Multi-Asset portfolio of liquid securities.



This allocation may not be suitable for all investors and can be changed at any time without notice. Source: DWS Investment GmbH, as of April 1, 2026. The anchor allocation refers to the strategic asset allocation, while the portfolio positioning refers to the tactical asset allocation. Rounded figures.<sup>1</sup> Including equity derivatives.<sup>2</sup> Total excluding interest rate derivatives (derivatives are included in the positioning figures at a subordinate level).

	Anchor	Positioning
<b>Equities</b>	<b>54.5%</b>	<b>5.5%<sup>1</sup></b>
U.S. equities	26.4%	-2.6%
European equities	18.1%	-0.4%
Japanese equities	4.0%	0.9%
Emerging market equities	6.0%	3.5%
World Value	0.0%	2.6%
World Energy	0.0%	1.0%
World Healthcare	0.0%	0.5%
<b>Fixed income</b>	<b>40.8%</b>	<b>1.7%<sup>2</sup></b>
European government bonds	12.2%	0.8%
U.S. Treasuries	8.2%	0.1%
EUR IG corporate bonds	11.2%	0.0%
USD IG corporate bonds	4.1%	-0.1%
EUR high yield bonds	2.0%	0.0%
USD high yield bonds	2.0%	0.0%
Asia credit	0.0%	0.9%
Global emerging market bonds	1.0%	0.0%
<b>Fixed income derivatives</b>	<b>0.0%</b>	<b>29.6%</b>
<b>Commodities</b>	<b>2.0%</b>	<b>3.1%</b>
Gold	2.0%	2.6%
Bitcoin	0.0%	0.4%
Ethereum	0.0%	0.2%
<b>Cash &amp; currency</b>	<b>2.7%</b>	<b>-1.3%</b>

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