

Time to Turn Back?: Return to Growth or seek US equity alternatives?



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The performance rotation YTD comes without an EPS growth leadership change. Last year, we discussed diversifying from US large Growth stocks and the Magnificent 7. Heading into 2026, we suggested that broadening US equity market performance should be expected in early 2026 and seen as healthy, but that a rotation away from large US Growth stocks and the Magnificent 7 or 10 should only last for a relatively short time and limited in magnitude, assuming the economic expansion is long-lived as we expect. Please refer to our December 22, 2025 note, "Twas the night before a leadership change?"

Here at the start of March, Russell 1000 Growth delivered a -5% YTD and Russell 1000 Value delivered 7% return. Among the biggest short period spreads since early 2022. While the S&P 500 is up just slightly YTD, Magnificent 7 is down 5%. At the opposite ends of the sector spectrum, Tech is down 6% and Energy is up 25% YTD. This is a big rotation beyond a broadening as seen with S&P 500 equal-weight 2-3% ahead of the weighted index and small caps up 6-8%. Yet, as we finish 4Q25 earnings season, we continue to see Tech and the Magnificent 7 deliver 25-30% y/y EPS growth with upward revisions to 2026. With the rest of S&P EPS ex. Energy and Financials deliver 6%; up 4% at Energy and Financials up 14% y/y. The market is certainly forward looking on earnings, but estimate trends stayed strongest for the Magnificent, Financials, Health Care, Utilities and yet wobbly elsewhere.

Rotation out of Tech and within Tech: The rotation within Tech deserves scrutiny. We currently think about the Tech sector and a few related titans outside it as divisible into three pieces: 1) Capex Spenders – hyperscalers and AI model/service leaders, 2) Capex Recipients – AI semiconductors, memory and other tech hardware & equipment, 3) Capital Light – software and other tech based service providers mostly to enterprises that live on specialization, innovation and other intangibles like reliability, user networks and standard setting. The rotation within Tech has seen group 3 plunge while group 2 soars. Software & Tech Services is down 20% YTD while Tech Hardware including Semiconductors is up 19%. Group 1 has been flattish and mostly in line with the S&P 500, mostly a consolidation.

The consensus view is essentially that capex at group 1 is too high for attractive returns on capital to be earned anytime soon and yet, somewhat contradictory, confidence is rising in the capabilities of the AI being developed, calling into question the profitability/longevity of businesses in group 3. We understand these concerns, but we think the situation calls for greater scrutiny of which hyperscalers are merely cloud hosting vs. AI service providers. We see value in hyperscalers with proprietary leading AI abilities, lots of vertically integrated uses, leadership in datacenter hardware configuration and operating efficiency. Group 2 is booming, recent guidance and outlooks were very strong, yet if group 1 can't earn decent returns on this investment within a credibly visible time then capex will slow. We see value in group 2 for now, but these are cyclical and highly competitive businesses.

Will AI eat all of software? Will it eat all our electricity? Will it eat all of humanity? Inside, we include our US datacenter capex and ROIC model. We raised capex forecasts again since the version published in our November 25, 2025 note, "AI is growing quickly and is very hungry: S&P 500 provides the essentials." Our model forecasts roughly \$3.8trn of gross capex from 2024 to 2030 on new US datacenters (chips and everything inside and onsite) and about 3% US electricity demand growth through 2030 from these datacenters. Our model suggests that for ROIC to equal a reasonable cost of capital (WACC): 1) chip/compute costs need to moderate, 2) electricity prices must not surge, and 3) \$750bn of revenue must be generated by these datacenters and the AI services supported by 2030.

We and many are contemplating \$750bn to well above \$1trn of revenue stemming from this capex in 2030. This would be 2-3% of US GDP in 2030. This revenue could take share from existing businesses and labor or it could lead to greater output than most GDP forecasts include. We doubt that all of this revenue will be extracted from labor share. A guess would be that half comes from less workers, yet history suggests none. AI driven productivity might accelerate kept worker productivity growth by 0.4% annually later this decade. As always, moving displaced workers to new and better uses will be key.

DWS CIO Day, March 2027 Strategic Targets: S&P 500 target stays 7500

We set targets before the strikes on Iran. Yet, we see our 12-month targets across asset classes as appropriate assuming conflict remains contained. We think seeking alternatives to US equities in pursuit of further diversification is sound, including Japan, Europe and select EM equities, rather than reaching deeper into non-Financial US value equities or small caps. We also advocate active strategies and modified S&P 500 index constructions.

Contributor: Ju Wang, Equity Portfolio Manager

Global Equity Index Forecasts: 12-months

Index	March 2026F	NTM EPS Growth	Target PE LTM
S&P 500	7,500	11.9%	23.6
EuroStoxx 50	6,650	7.5%	18.2
Stoxx 600	685	7.0%	17.7
MSCI Japan	2,570	10.7%	18.9
MSCI Asia xJ	1,110	24.1%	15.5
MSCI EM	1,710	22.1%	14.6

S&P 500 Outlook at Yearend

	2025E	2026E	2027E
S&P 500	6750	7500	
Dividend Yield	1.25%	1.20%	
S&P EPS	\$277	\$310	\$340
Trailing PE	24.4	24.2	
DPS	\$84	\$90	\$95

Next 5%+ Price Move

(Up / Balanced Risk / Down)

Taxable U.S. Investor Asset Allocations

Asset Class	Long-term	Current
Fixed Income/cash	31.5%	31%
Equities	58.5%	60.75%
US Equities	41%	45%
S&P 500	37%	40%
Small Caps	4%	5%
Foreign DM	12.5%	13.75%
Foreign EM	5%	2%
Alternatives	10%	8.25%

Key CIO Views

Macro signal:	Mar 2026	Mar 2027F
U.S. Fed Funds rate	3.50%-3.75%	3.00%-3.25%
10yr Treasury yield	4.00%	4.0%
US IG Corp Spreads	90bp	85bp
US High Yield Spreads	320bp	325bp
Crude Oil (WTI) \$/bbl	67	62
EUR / USD FX rate	1.18	1.20

GDP Forecasts

Region	2025F	2026F	2027F
US	2.2%	2.3%	2.0%
World	3.3%	3.3%	3.2%
Euro area	1.5%	1.3%	1.3%
China	5.0%	4.6%	4.4%
Japan	1.2%	0.9%	0.8%

* Q4/Q4 GDP growth.

EPS = Earnings Per Share; GDP = Gross Domestic Product
FX = Foreign Exchange

Source: DWS Investment Management GmbH. All opinions and claims are based upon data on 3/2/2026 and may not come to pass. This information is subject to change at any time, based upon economic, market and other considerations and should not be construed as a recommendation. All foreign asset exposures are not FX hedged unless otherwise noted. For illustrative purposes only. Past performance may not be indicative of future results. Diversification neither assures a profit nor guarantees against loss. Forecasts are not reliable indicator of future returns.



S&P 500 Sector and Industry views

	Market Weight	Allocated Weight	Sector	# of Firms	2025	2026	Overweight	2025	2026	Equal weight	2025	2026	Underweight	2025	2026		
Over-weight	12.5%	17.5%	Financials	73	17.5	16.2	Banks Capital Markets Insurance	14.3 20.6 15.4	13.1 18.8 14.8	Financial Services	22.0	20.4	Consumer Finance	14.6	13.7		
	9.8%	13.8%	Health Care	62	21.0	19.4	Biotechnology Health Care Equipment & Supplies Pharmaceuticals	21.2 23.9 21.1	18.9 22.0 19.3				Health Care Providers & Services Life Sciences Tools & Services	17.5 24.3	16.6 22.7		
	2.5%	4.5%	Utilities	31	21.1	19.3	Electric Utilities Multi-Utilities	21.3 20.7	19.3 19.3	Gas Utilities Independent Power & Renewable E Water Utilities	22.9 21.0 22.5	21.0 17.5 20.6					
	10.5%	11.9%	Communication Services	19	23.6	20.9	Entertainment Interactive Media & Services	22.9 28.1	14.2 25.0	Wireless Telecommunication Servi	21.5	20.7	Diversified Telecommunication Servi Media	16.2 3.8	16.3 3.5		
	32.4%	33.0%	Information Technology	69	32.3	26.0	IT Services	18.6	16.8	Communications Equipment Electronic Equipment Technology Hardware Storage & P	22.7 34.3 34.0	20.7 28.6 31.4	Semiconductors Software	39.0 25.8	27.1 22.2		
Under-weight	2.1%	1.2%	Materials	28	25.2	22.2				Construction Materials Metals & Mining	41.6 22.5	36.2 18.7	Chemicals Containers & Packaging	28.8 14.0	25.7 12.9		
	9.2%	7.9%	Industrials	76	30.0	26.9	Aerospace & Defense Air Freight & Logistics Electrical Equipment	47.0 21.6 25.6	36.1 20.8 21.3	Construction & Engineering Passenger Airlines	50.9 13.3	45.3 11.8	Building Products Commercial Services & Supplies Ground Transportation Industrial Conglomerates Machinery Professional Services Trading Companies & Distributors	30.1 33.1 21.9 23.5 32.5 21.5 26.8	28.8 31.3 21.9 23.5 29.3 20.7 24.1		
	2.0%	0.4%	Real Estate	31	18.4	17.7				Hotel & Resort REITs Industrial REITs Office REITs Real Estate Mgmt. & Development Retail REITs	10.0 21.1 9.2 29.6 14.0	10.0 21.1 9.2 28.9 14.0	Health Care REITs Residential REITs Specialized REITs	20.2 15.2 20.0	19.4 14.4 18.9		
	3.5%	1.6%	Energy	22	21.2	20.5	Energy Equipment & Services	20.0	18.9				Oil Gas & Consumable Fuels	21.3	20.6		
	5.4%	2.7%	Consumer Staples	38	27.7	26.3	Beverages	23.1	22.0	Personal Care Products Household Products	24.8 23.9	18.7 23.0	Consumer Staples Distribution & Re Food Products Tobacco	40.8 19.0 19.7	38.5 17.8 18.7		
	10.0%	5.4%	Consumer Discretionary	51	30.0	27.4	Automobile Components	11.1	10.1	Broadline Retail Distributors	27.3 15.3	24.5 14.7	Automobiles Hotels Restaurants & Leisure	63.8 26.9	58.0 24.5		
					63.8	58.0											
					27.3	24.5											
					25.2	23.3											
	Aggregate PE: DWS View							Overweight	25.6	21.9	Equalweight	30.0	27.1	Underweight	29.5	27.6	
S&P					500					2025 & 2026 EPS	277.00	310.00	2025 & 2026 PE	24.8	22.2		
										Bottom-up Consensus EPS	278.49	315.94	Bottom-up Cons. PE	24.7	21.8		
													2025 & 2026 Ex Energy PE	25.4	22.5		
													Blm-up Cons. Ex Energy PE	25.1	22.0		

Sector OW	12.05%
Sector UW	-12.05%
Industry OW	18.25%
Industry UW	-18.25%
Beta	0.97
Tracking Error	200bp

Macro tilts:	
Great 8	-0.71%
Tech + Communications	-0.10%
Cyclicals (ex. Tech/Comm)	-2.48%
Non-Cyclicals	2.64%
Value (Financial+Energy)	3.58%
Growth Industries	6.62%
Growth ex Health Care	2.53%
Consumer	-6.46%
Services/Experience	-0.99%
Disc. Goods/Retail	-1.13%
Durable Goods	-2.29%
Staples Goods/Retail	-1.31%
Commodity	-1.76%
Energy Ex. Services	-1.47%
Metals/Chemicals	-0.29%
Capex	2.90%
Capacity additions	0.70%
Productivity	2.20%
Health Care	4.09%
Medicine	3.26%
Devices/Equip./Tools	1.77%
Insurers/Facilities	-0.94%
Financials	4.46%
Bond Substitutes	-1.90%
Weak FX \$ plays	-0.24%
High R&D plays	5.24%
Transports	-0.46%
Geopolitical risk	-0.24%
Weak oil prices	-2.31%
Inflation shock	-1.44%
Stagflation protection	2.72%
Trade sensitive	-1.39%
Domestic GDP	2.47%
Global GDP	-3.05%

More details on sector earnings forecast and sector intrinsic valuation can be found towards the back of this note.

Great 8: AAPL, AMZN, GOOG/GOOGL, META, MSFT, NFLX, NVDA, TSLA

Source: DWS Investment Management GmbH as of 3/2/2026. Past performance may not be indicative of future results. Index returns do not reflect fees or expenses, and it is not possible to invest directly in an index.

DWS Global Macro Forecasts

GDP Growth Rate

% year-on-year average

	2025E	2026F	2027F	Consensus 2026 BBG
World	3.3 (3.2)	3.3 (3.1)	3.2	
U.S.*	2.2 (1.9)	2.3 (2.1)	2.0	2.4 (1.8)
EUZ	1.5 (1.4)	1.3 (1.1)	1.3	1.2 (1.1)
GER	0.3	1.2	1.3	1.0
UK	1.4	1.2 (1.3)	1.5	1.0 (1.2)
Japan	1.2	0.9 (0.7)	0.8	0.8 (0.7)
China	5.0	4.6 (4.5)	4.4	4.6 (4.3)

Inflation (CPI)

% year-on-year average

	2025E	2026F	2027F	Consensus 2026 (BBG)
World				
U.S.**	2.7 (2.8)	2.6 (2.9)	2.3	2.7 (2.9)
EUZ	2.1	2.0	2.0	1.8
GER	2.3	2.1	2.1	2.0
UK	3.4	2.2 (2.4)	2.0	2.4 (2.5)
Japan	3.2 (3.1)	1.8 (2.0)	2.0	1.9 (1.8)
China	0.0	0.8	0.8	0.7 (0.8)

Unemployment Rate (Annual average)

%

	2025E	2026F	2027F	Consensus 2026 (BBG)
U.S. (EOP)	4.4	4.6	4.4	4.5 (4.4)
EUZ (ILO)	6.3 (6.4)	6.2 (6.3)	6.1	6.3
GER (NAT)	6.3	6.2 (6.0)	6.0	6.2 (6.3)
UK	4.7	5.2 (5.0)	5.1	5.1 (4.8)
Japan	2.4	2.5 (2.4)	2.3	2.5 (2.4)
China***	5.2	5.1	5.0	5.1

Fiscal Balance

% of GDP

	2025E	2026F	2027F	Consensus 2026 (BBG)
U.S.	-6.4	-6.6	-6.6	-6.3
EUZ	-3.2 (-3.4)	-3.4 (-3.8)	-3.4	-3.4
GER	-2.4 (-2.5)	-3.6	-3.8	-3.5
UK	-4.3 (-4.1)	-3.6 (-3.0)	-3.0	-3.7
Japan****	-1.3 (-3.5)	-2.0 (-3.0)	-2.5	-3.0 (-3.3)
China****	-8.6	-8.5	-8.4	-5.8 (-5.7)

Numbers in parentheses represent last forecast of November 2025. (*) For the U.S., GDP growth Q4/Q4 % is 2.0% in 2026 and 1.9% in 2027 (**) Measure is average CPI, other measures for the US see in the respective part of the presentation (***) Urban unemployment rate (end of period), not comparable to consensus data (****) Fiscal deficit refers to IMF general public sector deficit. It is not comparable with the consensus.

Forecasts are not a reliable indicator of future returns. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect.

Source: Haver Analytics, Bloomberg Finance L.P., IWF, DWS Macro Research as of February 2026.

DWS Strategic CIO forecasts

Overview of Strategic 12-Month Forecasts

Fixed Income		Strategic Forecast for Dec-26	Current level	12m forwards	Strategic Forecast for Mar-27	Forecast change	Expected 12m Total Return	Expected 10yr Total Return (p.a.)
		Market Index	25-Feb-26	25-Feb-26				
Forecasts - US								
UST 2yr	US 2y yield	3.50%	3.47%	3.46%	3.35%	↘	3.55%	3.88%
UST 10yr	US 10y yield	4.15%	4.05%	4.22%	4.00%	↘	5.09%	4.69%
UST 30yr	US 30y yield	4.65%	4.70%	4.76%	4.75%	↔	3.87%	4.90%
Municipals	Taxable Muni Index OAS	70	62		70 bp	→	4.33%	4.04%
US IG	BarCap US Credit	85 bp	79 bp		85 bp	→	4.70%	4.77%
US HY	Barclays US HY	300 bp	277 bp		325 bp	↗	3.65%	5.56%
Securitized / MBS	CC Spread	125 bp	101bp		100 bp	↘	4.61%	4.17%
Forecasts - Europe								
Schatz 2yr	GER 2y yield	2.00%	2.05%	2.15%	2.00%	→	2.16%	2.53%
Bund 10yr	GER 10y yield	2.70%	2.71%	2.87%	2.70%	→	3.40%	3.03%
Bund 30yr	GER 30y yield	3.40%	3.38%	3.43%	3.40%	→	2.92%	3.61%
Gilt 10yr	UK 10y yield	4.20%	4.32%	4.60%	4.20%	→	5.60%	5.08%
EUR IG Corp	ICE BofA Bond Index	85 bp	79 bp		65 bp	↘	3.64%	3.46%
EUR HY	ML EUR Non-Fin HY Constr. Index	320 bp	267 bp		280 bp	↘	2.75%	4.96%
Securitized / Covered	iBoxx Covered	40 bp	32 bp		30 bp	↘	3.00%	3.12%
Italy 10yr	GTITL10Y Corp - GTDEM 10Y Corp	80 bp	60 bp	69 bp	60 bp	↘	3.99%	n/a
Forecasts - AsiaPac								
JGB 2yr	JPN 2y yield	1.20%	1.22%	1.47%	1.50%	↗	1.17%	1.61%
JGB 10yr	JPN 10y yield	1.90%	2.14%	2.37%	2.40%	↗	0.34%	1.94%
Asia Credit	JAPACAPT Index	130 bp	114 bp		130 bp	→	4.05%	n/a
Forecasts - Global								
EUR vs USD	EUR/USD	1.15	1.18		1.20	↗	0.27%	n/a
USD vs JPY	USD/JPY	145	156		145	→	-5.16%	n/a
EUR vs JPY	EUR/JPY	167	185		174	↗	-5.02%	n/a
EUR vs GBP	EUR/GBP	0.85	0.87		0.85	→	-3.71%	n/a
GBP vs USD	GBP/USD	1.35	1.36		1.42	↗	4.69%	n/a
USD vs CNY	USD/CNY	7.15	6.9		6.80	↘	-0.01%	n/a
EM Sovereig	EMBIG Div.	300 bp	246 bp		225 bp	↘	8.11%	5.54%

Equities		Strategic Forecast for Dec-26	Current Level	Strategic Forecast for Mar-27	Forecast change	Expected 12m Total Return	Expected 10yr Total Return (p.a.)
		Market Index	25-Feb-26				
Forecasts - Benchmark rates							
United States	Federal funds rate	3.00-3.25	3.50-3.75	3.00-3.25	→		
Eurozone	Deposit rate	2.00	2.00	2.00	→		
United Kingdom	Repo rate	3.50	3.75	3.25	↘		
Japan	O/N Call Rate	1.00	0.75	1.25	↗		
China	1year lending rate	2.80	3.00	2.80	→		
Equities							
Forecasts - Equity							
US	S&P 500	7,500	6,946	7,500	→	9.47%	5.50%
Germany	DAX	26,100	25,176	27,800	↗	10.42%	3.82%
Eurozone	Eurostoxx 50	5,950	6,173	6,650	↗	10.82%	3.96%
Europe	Stoxx 600	600	633	685	↗	11.33%	5.46%
Japan	MSCI Japan	2,200	2,352	2,570	↗	11.36%	4.28%
SMI	SMI	13,100	13,977	14,950	↗	9.86%	5.56%
UK	FTSE 100	10,100	10,806	11,450	↗	9.26%	6.30%
Emerging Markets	MSCI EM	1,480	1,615	1,710	↗	8.61%	5.66%
Asia ex Japan	MSCI AC Asia ex	970	1,045	1,110	↗	8.55%	5.89%
Alternatives							
Forecasts - Commodities							
Gold - Spot	Gold Spot	4,500	5,165	5,400	↗	-	n/a
Gold - Futures	Gold 12m Futures	-	5,392	-	-	0.14%	0.74%
Oil - Spot	Brent Spot	60	71	66	↗	-	n/a
Oil - Futures	Brent 12m Futures	-	67	-	-	-1.83%	10.41%
Carbon	Carbon 12m Futures	88	73	90	↗	23.19%	n/a
Real Estate & Infrastructure							
Listed US RE (LC)						8.50%	5.18%
Non-Listed US RE (LC)						7.00%	4.80%
Listed Global RE (LC)						8.00%	4.11%
Non-Listed European RE (LC)						7.50%	3.24%
Non-Listed APAC RE (LC)						6.00%	4.23%
Non-Listed Global RE (LC)						6.90%	4.14%
Listed Infrastructure (LC)						8.50%	6.34%
Non-Listed Infrastructure (LC)						11.20%	13.53%

Source: Bloomberg Finance L.P., DWS Investment GmbH as of September 5, 2025. Alternative investments may be speculative and involve significant risks including illiquidity, heightened potential for loss and lack of transparency. No assurance can be given that any forecast or target will be achieved. Forecasts are not a reliable indicator of future returns. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect. Past performance is not an indicator of future result. This material is for informational purposes only and sets forth our views as of this date and does not constitute investment advice or a recommendation to buy or sell any security or sector. No assurance can be given that any forecast or target will be achieved. Index returns do not reflect fees or expenses, and it is not possible to invest directly in an index.

DWS modeling of US AI data centers capex through 2030: *Not formal forecasts, a model prepared for scenarios/discussion*

US AI DCs w/ Chips		\$ in billions				Cumulative \$mm a		US AI		AI services		Chips		DC		21% tax rate	
Annual Capex	y/y % chg.	GW add	per GW	US Elec.	US GDP	Inv. Cap.	GWs	MW yr	DC Rev.	Extra Rev.	Depr. 7 yrs	Electric	OpEX	NOPAT	ROIC		
2024	\$200	7	\$29	1.4%	\$28,500	\$181	7	2.1	\$15	\$5	\$19	\$9	\$2	-\$7	-4.0%		
2025	\$350	12	\$29	2.4%	\$30,600	\$481	19	2.1	\$40	\$40	\$51	\$25	\$4	\$0	0.1%		
2026	\$500	14	\$36	2.7%	\$31,977	\$888	33	2.7	\$90	\$90	\$93	\$43	\$9	\$27	3.1%		
2027	\$575	15	\$38	2.8%	\$33,336	\$1,322	48	2.5	\$120	\$175	\$141	\$63	\$12	\$63	4.7%		
2028	\$650	16	\$41	2.9%	\$34,669	\$1,778	64	2.3	\$150	\$275	\$194	\$84	\$15	\$104	5.8%		
2029	\$725	17	\$43	3.0%	\$36,056	\$2,249	81	2.2	\$175	\$400	\$254	\$106	\$18	\$155	6.9%		
2030	\$800	19	\$42	3.3%	\$37,498	\$2,727	100	2.0	\$200	\$550	\$321	\$131	\$20	\$219	8.0%		
Total	\$3,800	100															

7 years chip life assumption

US AI Chips		y/y		Chips of total		Chips		Gross		US AI chip sales:				
Annual Capex	% chg.	US AI DC Capex	Depr. 7yr	Net	Asset	Assets	NVDA	AVGO	AMD	Other	Total			
2024	\$130	65%	\$19	\$111	\$130	\$129	\$0.7	\$0.7	\$0	\$130				
2025	\$225	73%	\$51	\$286	\$355	\$209	\$11	\$4.5	\$0	\$225				
2026	\$295	31%	\$93	\$488	\$650	\$254	\$24	\$13	\$4	\$295				
2027	\$335	14%	\$141	\$682	\$985	\$275	\$35	\$23	\$2	\$335				
2028	\$375	12%	\$194	\$863	\$1,360	\$293	\$46	\$33	\$4	\$375				
2029	\$420	12%	\$254	\$1,029	\$1,780	\$315	\$55	\$46	\$4	\$420				
2030	\$470	12%	\$321	\$1,177	\$2,250	\$334	\$71	\$56	\$9	\$470				
Total	\$2,250	59%	7.00											

DC Rev. + AI revenu	equiv. % GDP y/y labor	productivity
\$20	0.07%	0.19%
\$80	0.26%	0.30%
\$180	0.56%	0.32%
\$295	0.88%	0.34%
\$425	1.23%	0.37%
\$575	1.59%	0.41%
\$750	2.00%	

Source: DWS Investment GmbH as of 3/2/2026. Past performance may not be indicative of future results. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect. For illustrative purposes only. This table reflects internal scenario modeling prepared for discussion purposes only. It is not a formal forecast, and actual outcomes may differ materially due to market, technological, and regulatory developments.

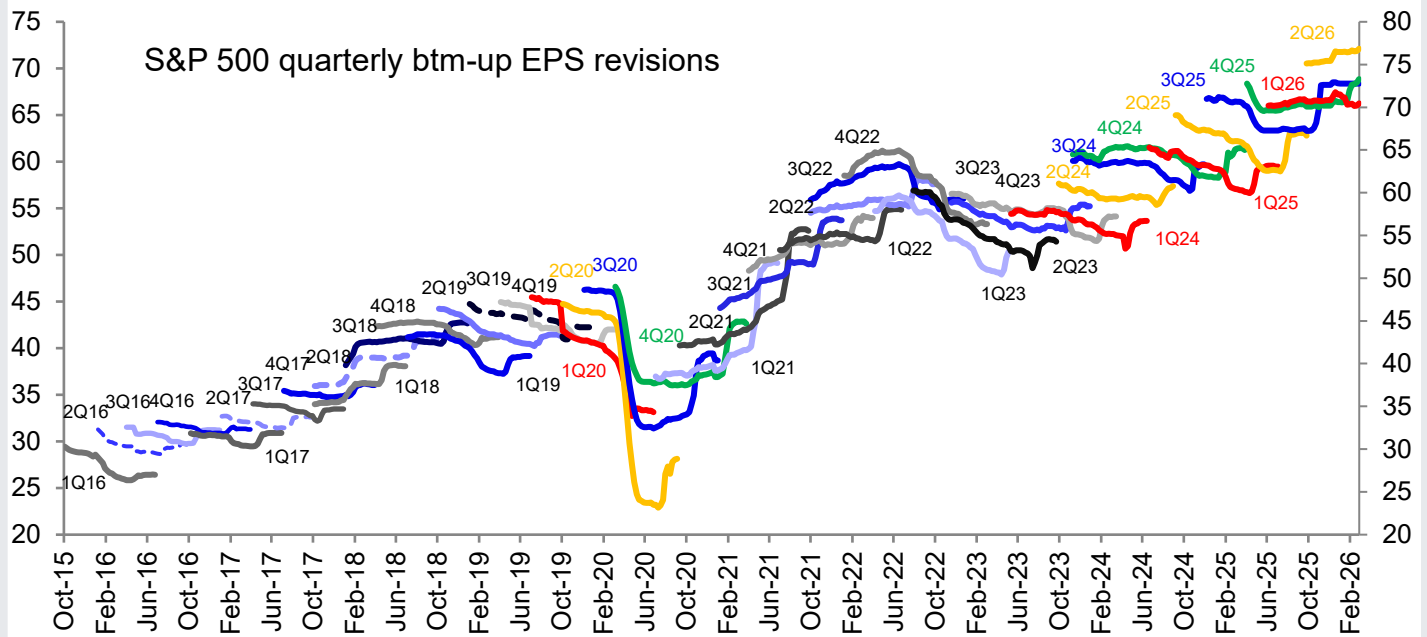
S&P 500 price reactions around U.S. airstrikes

Date	Event	S&P price		Price gain in 1mo		Price gain in 3mo	
		Day of strike	Pullback* From prior 3mo high	from low	from prior 3 mo high	from low	from prior 3 mo high
15-Apr-86	Libya	237.7	-2.2%	4.7%	2.4%	8.6%	6.2%
20-Dec-89	Panama	342.8	-4.8%	5.0%	0.0%	7.3%	2.1%
17-Jan-91	Gulf War (start of air strikes)	328.0	-5.8%	18.1%	11.2%	24.9%	17.7%
28-Jun-93	Iraq (Bush assassination attempt)	451.9	-2.3%	1.7%	-0.7%	6.2%	3.7%
30-Aug-95	Bosnia	560.9	-1.4%	5.3%	3.8%	18.7%	17.0%
3-Sep-96	Iraq (Kurdish war)	654.7	-3.9%	6.4%	2.3%	25.2%	20.3%
20-Aug-98	Afghanistan & Sudan	1091.6	-10.4%	2.8%	-7.9%	20.4%	7.8%
16-Dec-98	Iraq (UN resolutions)	1161.9	-4.3%	11.7%	6.9%	19.8%	14.7%
24-Mar-99	Serbia	1268.6	-4.1%	7.7%	3.2%	12.4%	7.8%
8-Oct-01	Afghanistan War	1062.4	-13.9%	6.4%	-8.3%	11.5%	-4.0%
19-Mar-03	Second Iraq War	874.0	-10.7%	7.7%	-3.9%	24.0%	10.7%
21-Mar-11	Libya	1298.4	-6.4%	6.3%	-0.6%	8.5%	1.5%
2-Jan-20	Iran General Qasem Soleimani	3257.9	-1.1%	0.8%	-0.3%	-23.3%	-24.2%
22-Jun-25	Iran nuclear facilities Fordo and Natanz	5967.8	-1.3%	5.7%	4.4%	12.2%	10.7%
3-Jan-26	Seize Nicolas Maduro in Venezuela	6858.5	-1.2%	1.1%	-0.2%		
28-Feb-26	Iran leadership, nuclear and missile facilities	6878.9					
Average			-4.9%	6.1%	0.8%	12.6%	6.6%
Avg. ex Aug 1998, 2001, 2003, 2020			-3.4%	6.7%	3.0%	14.4%	10.2%

*Pullback is based on the lowest S&P price from 4 trading days before the strike to the day of the strike

Source: DWS Investment GmbH as of 3/2/2026. Past performance may not be indicative of future results. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect. For illustrative purposes only. This table reflects internal scenario modeling prepared for discussion purposes only. It is not a formal forecast, and actual outcomes may differ materially due to market, technological, and regulatory developments.

S&P 500 quarterly EPS revision



Source: Factset, DWS Investment GmbH as of 3/2/2026. For illustrative purposes only. Past performance is not a guarantee of future results. It is not possible to invest directly in an index. Forecasts are not a reliable indicator of future returns. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect.

S&P 500 4Q 2025 earnings season summary statistics

	4Q25 Summary (Based on reported companies)									
	% of EPS reported	# Cos reported	EPS (% of co's)		EPS surprise (%)		Sales (% of co's)		Sales surprise (%)	
			% beat	% miss	y/y (%)	y/y (%)	% beat	% miss	y/y (%)	y/y (%)
S&P 500	95.9%	473	69%	26%	5.4%	13.9%	57%	21%	1.6%	8.0%
S&P ex. Tech	96.6%	411	65%	29%	4.6%	7.7%	55%	24%	1.4%	6.4%
S&P 500 ex. Financials & Real Est	96.8%	373	70%	26%	5.7%	13.6%	60%	21%	1.8%	9.2%
S&P 500 ex. Energy	95.7%	451	70%	26%	5.6%	14.4%	57%	21%	1.6%	8.6%
S&P ex. Energy, Financials & Real Est	96.6%	351	71%	25%	5.9%	14.2%	61%	21%	1.8%	9.9%
Communication Services	100.0%	20	80%	20%	6.9%	11.1%	70%	10%	1.6%	11.0%
Consumer Discretionary	95.3%	44	61%	39%	2.4%	-1.7%	77%	14%	1.3%	4.3%
Consumer Staples	91.7%	30	87%	13%	2.8%	4.1%	60%	30%	0.4%	6.3%
Energy	100.0%	22	59%	32%	1.6%	4.0%	55%	32%	2.0%	1.6%
Financials	91.7%	69	74%	25%	5.3%	17.6%	52%	25%	-0.2%	-0.6%
Health Care	99.7%	61	72%	20%	0.2%	0.9%	61%	13%	1.8%	10.9%
Industrials	99.8%	75	71%	25%	16.5%	12.1%	47%	28%	2.2%	6.6%
Information Technology	94.3%	62	95%	6%	7.5%	33.0%	69%	3%	3.2%	20.5%
Materials	100.0%	29	41%	55%	4.6%	8.0%	41%	52%	0.3%	3.6%
Real Estate	100.0%	31	45%	39%	-1.1%	0.0%	29%	16%	1.8%	7.1%
Utilities	96.8%	30	40%	43%	-4.3%	-0.8%	67%	30%	4.9%	11.7%
Great 8 *	100.0%	9	89%	0%	5.7%	27.1%	78%	11%	1.9%	19.6%
S&P ex Great 8	94.2%	467	68%	27%	5.3%	9.0%	56%	21%	1.6%	6.2%

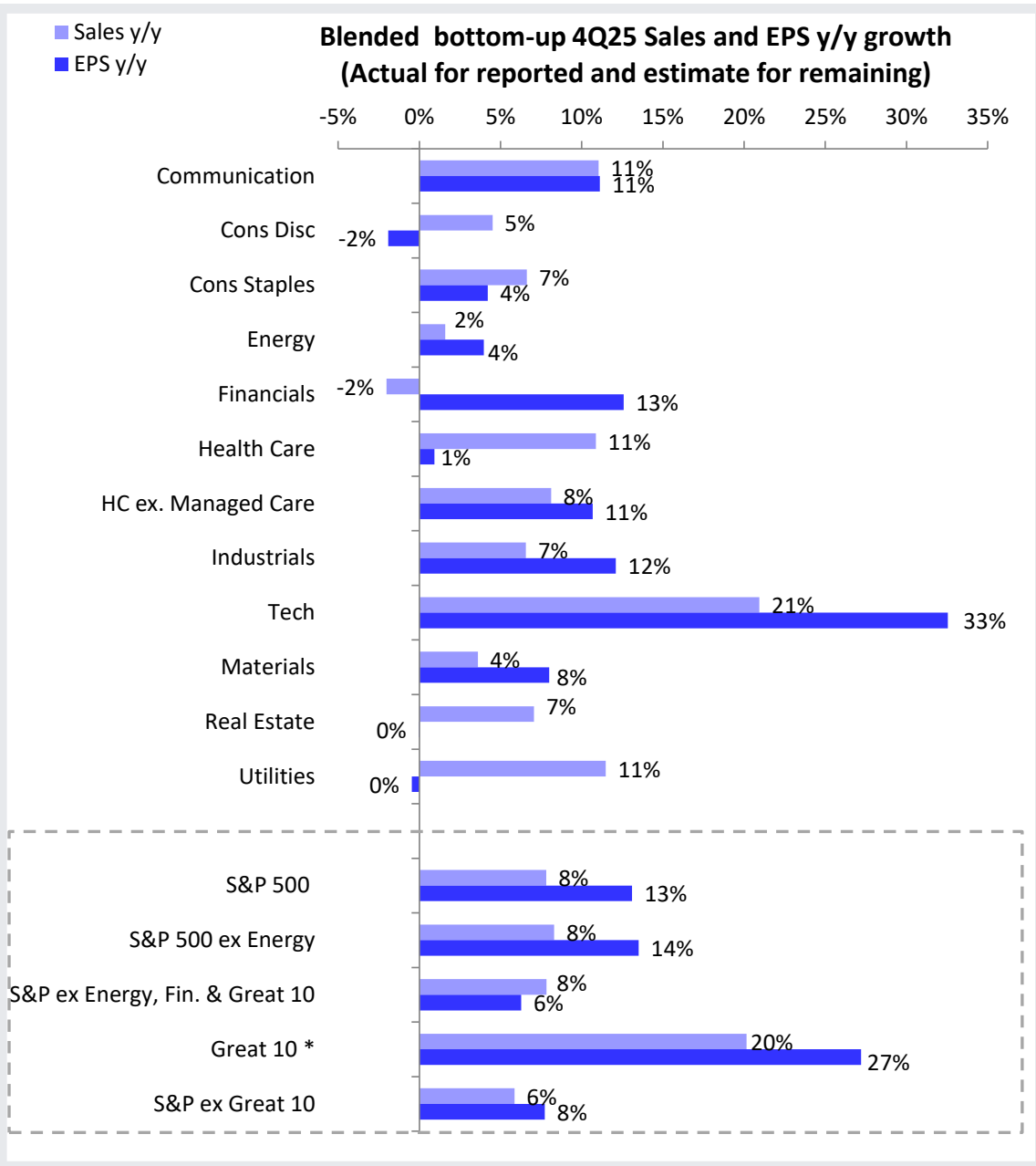
* # Beat, # miss and weighted surprise % is based on EPS and sales estimate as of 12/31/2025 (as of 12/1/2025 for pre-season reporters)

EPS is considered beat or miss when the difference between actual and estimate as of 12/31/2025 is more than \$0.01 (12/1/2025 for pre-season reporters)

Sales is considered beat or miss when the difference between actual and estimate as of 12/31/2025 is more than \$20 million (12/1/2025 for pre-season reporters)

Source: Factset, DWS Investment GmbH as of 3/2/2026. For illustrative purposes only. Past performance is not a guarantee of future results. It is not possible to invest directly in an index. Forecasts are not a reliable indicator of future returns. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect.

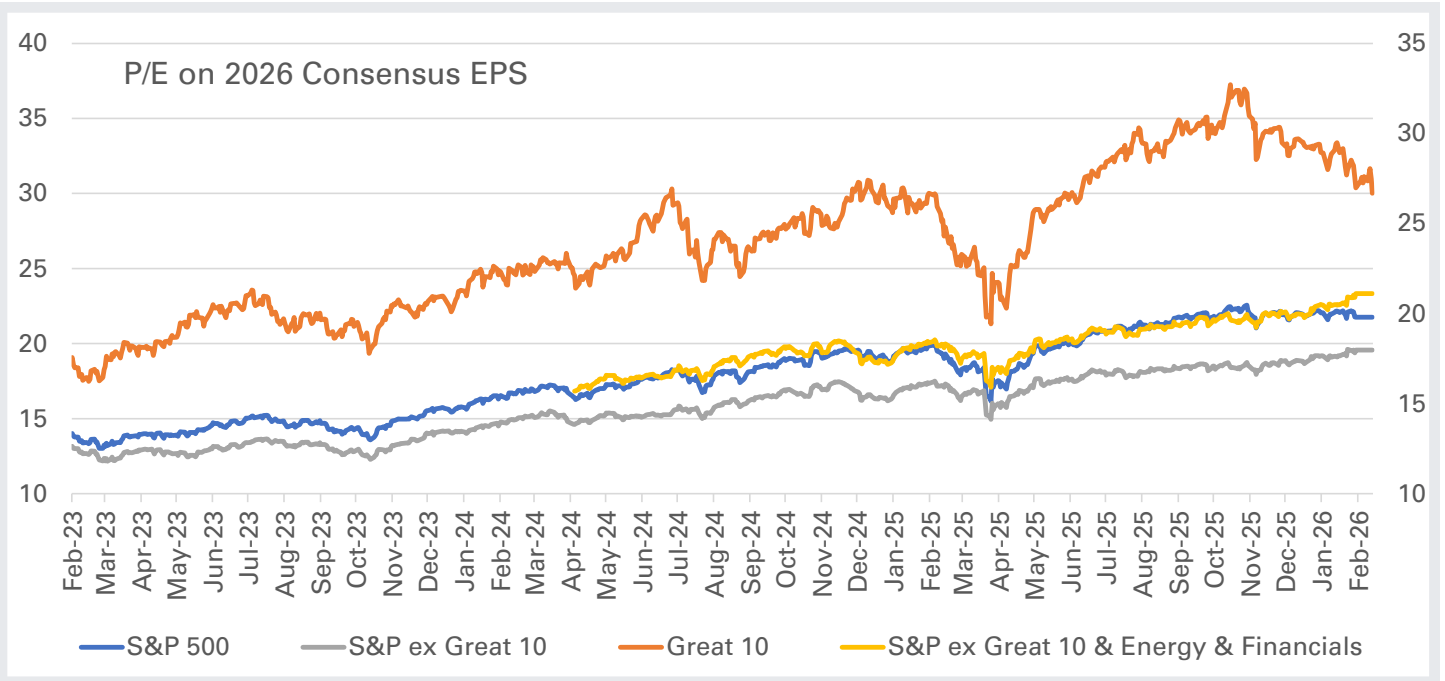
S&P 500 EPS and sales y/y growth by sector



*Great 10: AMD, AMZN, AAPL, AVGO, MSFT, NVDA, GOOG, META, NFLX, TSLA

Source: Factset, DWS Investment GmbH as of 3/2/2026. For illustrative purposes only. Past performance is not a guarantee of future results. It is not possible to invest directly in an index. Forecasts are not a reliable indicator of future returns. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect.

S&P 500 and The great 10 P/E ratio



Great 10: AMD, AMZN, AAPL, AVGO, MSFT, NVDA, GOOG, META, NFLX, TSLA

Source: IBES, Factset, DWS Investment GmbH as of 2/27/2026. Past performance is not a guarantee of future results. It is not possible to invest directly in an index. Any mentions of specific properties or securities are for illustrative purposes only and should not be considered as recommendations. Forecasts are not a reliable indicator of future returns. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect.



DWS Investment GmbH S&P 500 Annual EPS Outlook

	2014A	2015A	2016A	2017A	2018A	2019A	2020A	2021A	2022A	2023A	2024A	y/y	2014-2024 CAGR	Bottom-up Consensus (IBES)				DWS View				Normalized 2026		DWS View (2027-2030)										
															2025E	y/y	2026E	y/y	2025E	y/y	2026E	y/y	(\$)	% of 2026	2027	2028	2029	2030	2025-2030 CAGR	2026-2030 CAGR	2027-2030 CAGR			
S&P 500 EPS (historical index)	\$118.82	\$117.46	\$118.10	\$132.00	\$161.93	\$162.93	\$139.72	\$208.12	\$218.09	\$221.36	\$242.73	9.7%	7.4%																					
S&P 500 EPS (current constituents)	\$116.85	\$117.20	\$117.77	\$131.12	\$157.89	\$159.57	\$143.29	\$217.94	\$218.34	\$222.11	\$245.22	10.4%	7.7%	\$278	13.6%	\$316	13.4%	\$277	13.0%	\$310	11.9%	\$307	99%	\$340	\$375	\$410	\$450	10.5%	9.9%	9.9%				
Sector (\$ bn)																																		
Communication Services	66.9	77.3	89.4	97.5	121.9	128.9	132.8	184.8	144.6	173.7	214.8	23.7%	12.4%	262.0	22.0%	272.1	3.8%	260.5	21.3%	295.0	13.2%	298.2	101%	331.9	373.4	418.2	468.3	12.4%	12.2%	12.2%				
Consumer Discretionary	57.9	68.2	75.8	80.2	95.6	94.0	63.9	121.9	111.3	157.2	182.2	15.9%	12.2%	190.1	4.3%	208.9	9.9%	190.5	4.5%	208.5	9.4%	213.4	102%	225.1	243.1	262.6	283.6	8.3%	8.0%	8.0%				
Consumer Staples	92.0	90.1	92.3	96.6	104.1	105.0	113.0	126.8	126.0	133.9	136.2	1.8%	4.0%	137.1	0.6%	145.6	6.3%	136.0	-0.2%	143.5	5.5%	142.4	99%	153.5	164.3	175.8	188.1	6.7%	7.0%	7.0%				
Energy	94.5	39.8	10.4	36.7	69.0	48.0	-6.8	76.2	194.4	138.0	110.6	-19.9%	1.6%	98.8	-10.6%	98.5	-0.3%	98.5	-10.9%	102.0	3.6%	107.6	105%	108.1	114.6	121.5	128.8	5.5%	6.0%	6.0%				
Financials	184.7	200.3	204.2	213.4	262.6	276.7	226.3	363.5	308.8	335.3	387.7	15.6%	7.7%	448.7	15.7%	488.1	8.8%	441.0	13.8%	476.5	8.0%	469.2	98%	509.9	543.0	578.3	615.9	6.9%	6.6%	6.5%				
Health Care	137.2	152.1	156.9	171.1	187.9	205.7	226.2	291.7	307.9	243.9	253.3	3.9%	6.3%	286.7	13.2%	303.3	5.8%	285.5	12.7%	310.0	8.6%	304.3	98%	341.0	375.1	416.4	466.3	10.3%	10.7%	11.0%				
Industrials	96.8	98.1	95.3	105.1	129.1	112.1	71.1	118.0	135.8	160.3	163.9	2.3%	5.4%	180.1	9.9%	199.5	10.8%	175.0	6.8%	195.0	11.4%	203.0	104%	214.5	236.0	258.4	281.6	10.0%	9.6%	9.5%				
Information Technology	162.8	169.0	173.7	206.8	241.8	237.4	269.4	443.3	370.9	384.0	459.5	19.7%	10.9%	585.4	27.4%	769.0	31.4%	572.5	24.6%	710.5	24.1%	710.5	100%	806.4	911.3	1025.2	1153.3	15.0%	12.9%	12.7%				
Materials	23.9	22.7	21.7	28.1	35.2	33.9	32.2	62.3	64.9	49.8	47.7	-4.3%	7.2%	44.8	-6.0%	55.6	24.0%	47.5	-0.4%	54.0	13.7%	52.4	97%	57.2	60.7	64.3	68.2	7.5%	6.0%	6.0%				
Real Estate	22.0	23.7	27.5	31.0	34.8	36.3	36.2	43.1	50.4	52.7	55.9	6.1%	9.8%	57.5	2.8%	60.0	4.4%	55.9	-0.1%	58.0	3.7%	57.4	99%	61.4	65.1	69.0	73.2	5.5%	6.0%	6.0%				
Utilities	32.3	32.5	34.9	36.7	40.0	45.2	46.8	47.4	48.7	53.1	62.5	17.7%	6.8%	64.6	3.4%	72.0	11.4%	67.0	7.2%	73.5	9.7%	81.1	110%	80.9	88.5	96.9	105.7	9.5%	9.5%	9.3%				
S&P 500	970.9	973.8	982.3	1103.3	1322.1	1323	1211	1879	1864	1882	2074	10.2%	7.9%	2356	13.6%	2673	13.4%	2330	12.3%	2626	12.7%	2639.4	100%	2890	3175	3486	3833	10.5%	9.9%	9.9%				
S&P ex. Energy (\$bn)	876.4	934.0	971.9	1066.5	1253.1	1275	1218	1803	1669	1744	1964	12.6%	8.4%	2257	14.9%	2574	14.0%	2231	13.6%	2524	13.1%	2531.8	100%	2782	3060	3365	3704	10.7%	10.1%	10.0%				
S&P ex. Tech (\$bn)	808.1	804.7	808.6	896.4	1080.3	1086	942	1436	1493	1498	1615	7.8%	7.2%	1770	9.6%	1904	7.5%	1757	8.8%	1916	9.0%	1928.9	101%	2084	2264	2461	2680	8.8%	8.7%	8.7%				
Great Ten*	85	99	109	126	160	166	218	418	292	367	502	36.5%	19.4%	638	27.1%	786	23.3%	630	25.6%	750	19.0%	750.0	100%	900	1071	1264	1466	18.4%	18.2%	17.7%				
S&P ex. Great Ten	886	875	873	977	1162	1157	993	1462	1572	1514	1573	3.8%	5.9%	1718	9.2%	1886	9.8%	1700	8.1%	1876	10.4%	1876.4	100%	1990	2104	2223	2367	6.8%	6.0%	6.0%				
S&P 500 Sales/Share (historical index)	\$1,163	\$1,127	\$1,151	\$1,232	\$1,339	\$1,415	\$1,362	\$1,567	\$1,753	\$1,872	\$1,971	5.3%	5.4%																					
S&P 500 Non-GAAP Net Margin	10.2%	10.4%	10.3%	10.7%	12.1%	11.5%	10.3%	13.3%	12.4%	11.8%	12.3%																							

S&P 500 EPS	Whole Year	1Q	2Q	3Q	4Q
2020A	140	33	28	38	42
2021A	210	49	53	54	54
2022A	222	55	58	56	53
2023A	223	53.00	54.25	58.5	57.25
2024A	245	56.50	60.50	63.00	65.00
2025E	277	63.00	67.00	73.00	74.00
2026E	310	74.00	77.00	78.00	81.00

S&P 500 Trailing PE	Average	Stdev	3yr Avg High	3yr Avg Low
1960 – 2023	16.5	4.6	26.3	7.9
1985 – 2023	18.1	3.9	26.3	13.0
1995 – 2023	18.9	3.8	26.3	14.2
2005 – 2023	17.6	2.8	21.8	14.2
2005 – 2019	16.7	1.9	18.8	14.2
(pre-pandemic)				

* Great 10: AMD, AMZN, AAPL, AVGO, MSFT, NVDA, GOOG, META, NFLX, TSLA.

S&P 500 EPS historical constituents represent the earnings per share (EPS) of S&P 500 index constituents at the time, while S&P 500 EPS current constituents represents the earnings per share of index constituents as of the date the data was compiled 9/30/2024. FFO is used for REITs instead of EPS.

Source: Factset, DWS Investment GmbH as of 3/2/2026. Past performance may not be indicative of future results. Forecasts are not a reliable indicator of future returns. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect. Index returns do not reflect fees or expenses, and it is not possible to invest directly in an index.

DWS Investment GmbH View: S&P 500 fair value by sector: Assuming a ~5.00% real cost of equity (CoE) for overall S&P 500

	Market Value (\$bn)	Current 2025 PE	2026E Earnings (\$bn)	Normal Ratio	Normal 2026E Earnings	GAAP/Non-GAAP EPS 5yr Avg	Accounting Quality Adjustment	Fully Adjusted Earnings	Net Debt / Market Cap	FCF / EPS	Real CoE	Steady State Value	Growth Premium	2026 Start Fair Value (\$bn)	2026E Dividend Yield	2026 End Fair Value (\$bn)	Fair PE on Normal 2026 EPS	2026 End Upside %	2026 End Upside vs. S&P 500
Communication Services	6,154	20.9	295.0	101%	298.2	83%	-5%	283.2	11%	0.69	4.95%	5,722	35%	7,725	0.9%	8,234	27.6	34%	22%
Consumer Discretionary	5,718	27.4	208.5	102%	213.4	89%	-6%	200.6	10%	0.61	5.00%	4,013	34%	5,390	0.7%	5,755	27.0	1%	-11%
<i>Automobiles</i>	1,277	58.0	22.0	105%	23.1	77%	-10%	20.8	32%	0.14	5.75%	362	50%	542	0.2%	586	25.4	-54%	-66%
<i>Broadline (Internet) Retail</i>	1,923	24.5	78.5	105%	82.4	98%	-5%	78.3	0%	0.30	5.00%	1,566	60%	2,506	0.0%	2,693	32.7	40%	28%
<i>ex. Auto & Broadline (Internet) Retail</i>	2,519	23.3	108.0	100%	107.9	90%	-5%	101.5	13%	0.93	4.87%	2,085	12%	2,342	1.5%	2,479	23.0	-2%	-13%
Consumer Staples	3,768	26.3	143.5	99%	142.4	83%	-5%	135.3	14%	0.87	4.75%	2,848	5%	2,990	2.1%	3,144	22.1	-17%	-28%
Energy	2,091	20.5	102.0	105%	107.6	97%	-5%	102.2	14%	0.80	5.50%	1,858	-10%	1,672	2.4%	1,765	16.4	-16%	-27%
Financials	7,703	16.2	476.5	98%	469.2	97%	-7%	435.1		1.09	5.50%	7,910	0%	7,910	1.7%	8,406	17.9	9%	-3%
<i>Banks</i>	2,192	13.1	167.5	100%	167.5	96%	-7%	155.8		1.13	5.75%	2,709	-10%	2,438	2.8%	2,572	15.4	17%	6%
Health Care	6,006	19.4	310.0	98%	304.3	65%	-9%	276.9	10%	1.14	5.00%	5,539	15%	6,370	1.8%	6,735	22.1	12%	0%
Industrials	5,251	26.9	195.0	104%	203.0	84%	-5%	192.8	15%	0.96	5.00%	3,857	15%	4,435	1.2%	4,715	23.2	-10%	-22%
Information Technology	18,507	26.0	710.5	100%	710.5	89%	-2%	696.3	2%	0.92	4.80%	14,506	50%	21,759	0.8%	23,172	32.6	25%	13%
Materials	1,197	22.2	54.0	97%	52.4	75%	-7%	48.7	16%	0.73	5.20%	937	10%	1,031	1.8%	1,091	20.8	-9%	-21%
Real Estate	1,027	17.7	58.0	99%	57.4	78%	-15%	48.8	35%	0.83	4.90%	995	5%	1,045	3.5%	1,086	18.9	6%	-6%
Utilities	1,417	19.3	73.5	110%	81.1	79%	-7%	75.4	79%	-0.65	5.00%	1,508	5%	1,584	2.9%	1,657	20.4	17%	5%
S&P 500 (\$ bn)	58,839	22.4	2626.4	100%	2639.4	84%	-5.5%	2495.3			5.00%	49,692	24.6%	61910	1.3%	65,760	24.9	12%	0%
S&P 500 Index (\$/sh)	6879	22.2	310.0	99%	307.0	84%	-5.9%	289.0	10%	0.87	5.00%	5780	24.3%	7184	1.3%	7633	24.9	11%	0%



Source: IBES, DWS Investment GmbH as of 3/2/2026. Past performance may not be indicative of future results. Forecasts are not a reliable indicator of future returns. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect. Index returns do not reflect fees or expenses, and it is not possible to invest directly in an index.

S&P 500 EPS historical constituents represents the earnings per share (EPS) of S&P 500 index constituents at the time, while S&P 500 EPS current constituents represents the earnings per share of index constituents as of the date the data was compiled 9/30/2024.

The estimated 2025 year end upside is on absolute valuation basis of each sector, not on relative sector valuation basis.

For the FCF/EPS metric, FCF/FFO is used for all REITS.

S&P 500 Intrinsic Valuation Model

S&P 500 Capitalized EPS Valuation		S&P 500 Dividend Discount Model		S&P 500 Long-term EPS & DPS Growth		S&P 500 Cost of Equity & Fair Book Multiple	
DWS 2026E S&P 500 EPS	\$307.00	DWS 2026E S&P 500 DPS	\$90.00	DWS 2026E S&P 500 aggregate ROE	26.2%	Fair long-term nominal return on S&P 500 index	7.50%
DWS "normal 2026" S&P 500 EPS	\$305.00	DWS "normal 2026E" S&P 500 DPS	\$90.00	2025E end S&P 500 book value per share	\$1,170	Components of estimated fair S&P 500 return:	
"Normal 2026E" EPS / 2026 EPS	99%	2026E dividend payout ratio	29%	DWS "normal 2026E" S&P 500 aggregate ROE	24.5%	+ Long-term real risk free interest rate	1.75%
Accounting quality adjustment to pro forma EPS	-\$18.00	Normal dividend payout ratio	31%	S&P EPS retained for operating reinvestment	39%	+ Long-term fair S&P 500 equity risk premium*	3.25%
Normal 2026E S&P 500 EPS fair to capitalize	\$287	EPS directed to net share repurchases	\$85.00	Estimated ROE on reinvested S&P EPS	9.00%	= Long-term real S&P 500 cost of equity	5.00%
Key principle: steady-state value = normal EPS / real CoE		Normal share repurchase payout ratio	30%	Economic margin (EM) or ROE-CoE	1.50%	+ Long-term inflation forecast	2.50%
S&P 500 EPS Capitalization Valuation		Total payout of S&P 500 EPS	\$175.00	Sources of long-term earnings growth:		= S&P 500 nominal cost of equity	7.50%
Normal EPS / (real CoE - (EM/payout) - EM):		Total payout ratio of normal and quality adj. EPS	61%	+ Long-term inflation forecast	2.50%	* S&P 500 ERP history 300-400bps, w/ real CoE @ 5% - 6%	
S&P 500 intrinsic value at 2026 start	7104	S&P 500 DPS Discount Model		+ Fair return on operating reinvestment	1.95%	Fair S&P 500 Market Value and Book Value Multiple	
S&P 500 intrinsic value at 2026 end	7547	Normal DPS / (nominal CoE - DPS growth):		+ Value added earnings growth on op. reinvestment	0.59%	2024E end S&P 500 book value per share	\$1,170
Implied fair fwd PE in early 2026 on 2026E \$307 EPS	23.1	S&P 500 intrinsic value at 2026 start	7104	= Long-term earnings growth		Fair PB = Fair PE * normal aggregate ROE	6.07
Implied fair trailing PE at 2026 end on 2026E \$307 EPS	24.6	S&P 500 intrinsic value at 2026 end	7547	+ Growth from net share repurchases	1.20%	Fair PE = (inc ROE-g)/(inc real ROE*(real CoE-real g))	23.14
		Implied fair forward yield on 2026E DPS of \$90.0	1.27%	= Long-term S&P 500 EPS/DPS growth	6.23%	Implied S&P 500 fair value of book at 2026 start	7104
		Implied fair trailing yield on 2026E DPS of \$90.0	1.19%	+ Fair normal dividend yield	1.27%	Steady-state PB = normal agg. ROE / real CoE	4.91
				= Total long-term return at constant PE	7.50%	Confirmed by fair steady-state PE = 1 / real CoE	20.0
Normal EPS / real CoE	5740	DPS discount model using true DPS (all payout)	7547	Value added growth premium in fair value est.	23.8%	Normal 2026E economic profit per share	\$229

S&P 500 EPS discount model 5 steps to value:

- 1) Estimate normalized S&P 500 EPS
- 2) Adjust normalized EPS for pro forma accounting quality
- 3) Estimate a fair long-term real return on S&P 500 ownership (CoE)
- 4) Capitalize normalized and accounting quality adj. EPS at real CoE
- 5) Consider long-term potential for value added growth opportunities

S&P 500 Real CoE	2025E S&P 500 Normalized EPS				
	\$295	\$300	\$305	\$310	\$315
4.50%	8085	8332	8585	8844	9110
4.75%	7575	7801	8032	8268	8509
5.00%	7128	7335	7547	7763	7984
5.25%	6731	6923	7118	7318	7522
5.50%	6377	6556	6737	6922	7111

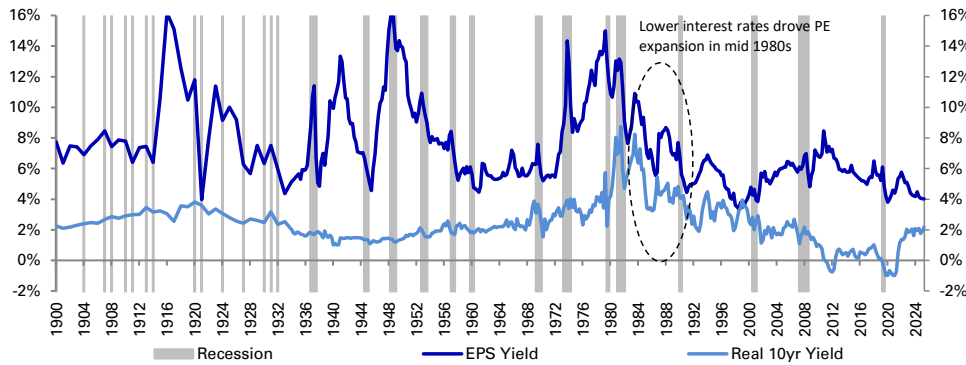
DWS March 2027 equity index targets

DWS Equity Index Forecasts - Base Case Scenario

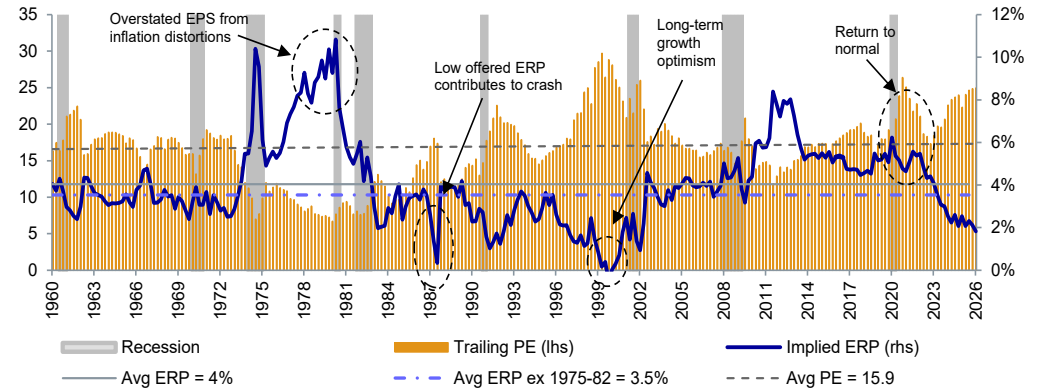
Index	3M relative View	Current Level	Previous Target CIO Day	Target Mar 27	Chg in Target	Expected Total Return Mar 27	Assumptions						
							----- thereof -----						
							EPS growth NTM*	LTM multiple impact	Dividend Yield	EPS NTM* (e)	EPS NTM DWS vs. Cons.	Target LTM P/E in Mar 27	
S&P 500		6,880	7,500	7,500	0%	10.5%	USD	11.9%	-3%	1.5%	318	-2.2%	23.6x
Stoxx 600		629	600	685	14%	12.1%	EUR	7.0%	2%	3.2%	38.7	-5.5%	17.7x
EuroStoxx 50		6,117	5,950	6,650	12%	11.8%	EUR	7.5%	1%	3.1%	364	-5.2%	18.2x
DAX40		24,986	26,100	27,800	7%	11.3%	EUR	10.2%	-2%	2.7%	1556	-5.3%	17.4x
SMI		13,997	13,100	14,950	14%	9.7%	CHF	7.0%	0%	2.9%	721	-4.6%	20.7x
FTSE 100		10,681	10,100	11,450	13%	10.5%	GBP	6.3%	1%	3.3%		-5.0%	15.9x
MSCI EM		1,593	1,480	1,710	16%	10.0%	USD	22.1%	-12%	2.7%	116.5	-3.4%	14.6x
MSCI AC Asia xJ		1,031	970	1,110	14%	10.0%	USD	24.1%	-13%	2.3%	71.5	-3.3%	15.5x
MSCI Japan		2,332	2,200	2,570	17%	12.3%	YEN	10.7%	0%	2.1%	136.1	0.7%	18.9x

Source: DWS Investment Management GmbH as of 3/2/2026. Past performance may not be indicative of future results. Forecasts are not a reliable indicator of future returns. No representation or warranty is made by DWS as to the reasonableness or completeness of the forward-looking statements or to any other financial information contained herein. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect. Index returns do not reflect fees or expenses, and it is not possible to invest directly in an index.

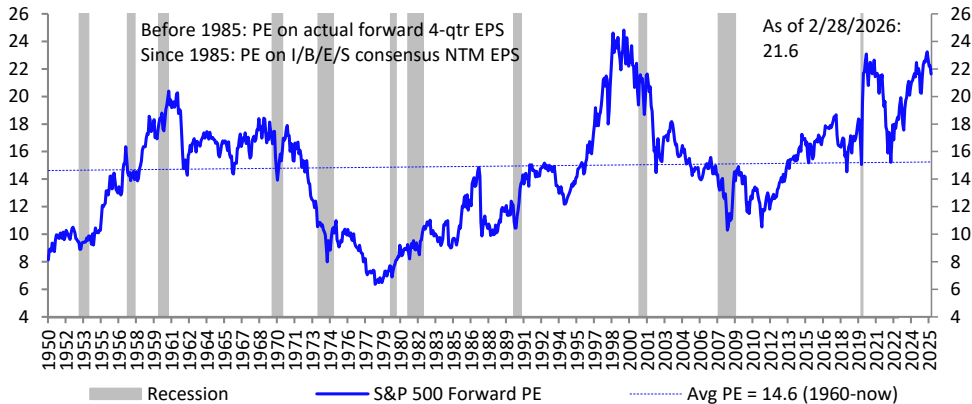
S&P 500 EARNINGS PER SHARE (EPS) YIELD



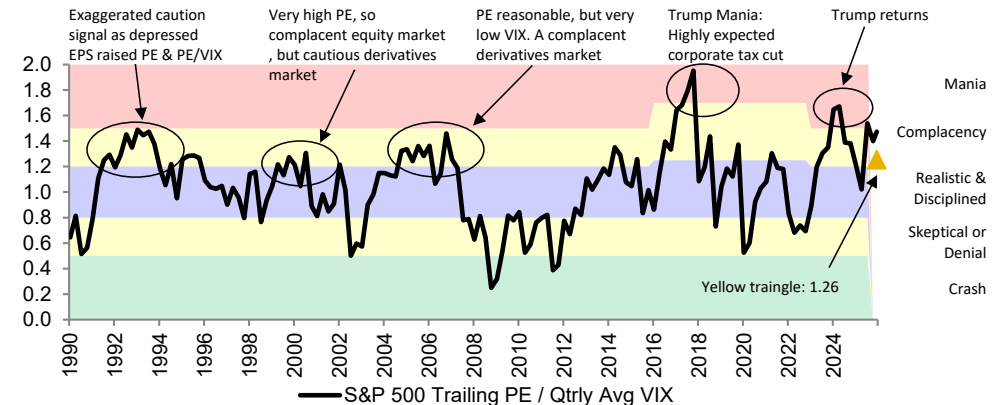
S&P 500 IMPLIED EQUITY RISK PREMIUM (ERP)



S&P 500 FORWARD PRICE-TO-EARNINGS (P/E) RATIO



S&P 500 PE / VIX (CBOE VOLATILITY INDEX)



Yellow triangle: Trailing PE as of Feb 27 2026 divided by VIX on Feb 27 2026.

Source: Haver, Compustat, Clarifi, DWS Investment GmbH as of 2/27/2026, for illustrative purposes only. Past performance may not be indicative of future results. It is not possible to invest directly in an index. Forecasts are not a reliable indicator of future returns. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect

S&P 500 industry monitor (1 of 2)

Sector	Industry	PE on 2024 Consensus EPS	PE on 2025 Consensus EPS	2025 Consensus EPS Growth	2025 EPS 3m Revision	3m Total Return Momentum	2026 End Upside (Intrinsic Valuation)	Combined Signal
Consumer Discretionary		33.0	30.7	7.6%	0.7%	-2.8%	0.6%	0
	<i>Automobile Components</i>	11.7	9.4	24.9%	0.8%	-5.2%	56.5%	0
	<i>Automobiles</i>	52.7	66.9	-21.2%	2.9%	-5.2%	-53.5%	-1
	<i>Household Durables</i>	12.9	16.4	-21.3%	-1.0%	5.6%	4.8%	0
	<i>Leisure Products</i>	24.8	18.0	38.2%	11.9%	21.4%	-19.4%	1
	<i>Textiles Apparel & Luxury Goods</i>	21.5	24.7	-13.1%	1.9%	7.9%	-6.5%	0
	<i>Hotels Restaurants & Leisure</i>	29.5	26.3	12.3%	0.7%	5.0%	4.7%	0
	<i>Distributors</i>	16.0	17.5	-8.5%	-3.0%	-7.4%	29.0%	-1
	<i>Broadline Retail</i>	37.2	28.8	29.0%	0.7%	-9.6%	34.4%	0
	<i>Specialty Retail</i>	27.9	27.3	2.3%	0.0%	4.9%	2.9%	0
Consumer Staples		26.0	25.7	1.2%	0.4%	14.3%	-16.6%	0
	<i>Consumer Staples Distribution & Retail</i>	40.8	39.0	4.7%	0.9%	14.6%	-34.7%	0
	<i>Food Products</i>	14.5	17.0	-14.7%	0.5%	8.9%	11.5%	0
	<i>Beverages</i>	23.4	22.9	2.0%	0.6%	13.1%	6.3%	0
	<i>Tobacco</i>	21.6	19.6	10.4%	-0.5%	19.3%	-14.9%	0
	<i>Household Products</i>	24.2	23.6	2.6%	0.1%	14.8%	1.8%	0
	<i>Personal Care Products</i>	23.6	25.1	-5.9%	4.3%	13.6%	-6.5%	1
Energy		19.0	24.2	-21.5%	-13.2%	25.4%	-15.6%	-1
	<i>Energy Equipment & Services</i>	17.3	19.1	-9.6%	3.5%	37.3%	-6.5%	1
	<i>Oil Gas & Consumable Fuels</i>	19.2	24.8	-22.8%	-14.9%	24.4%	-14.0%	-1
Financials		18.9	16.4	15.2%	1.0%	-2.9%	9.1%	0
	<i>Banks</i>	15.3	13.9	10.6%	-0.3%	-0.7%	21.4%	-1
	<i>Financial Services</i>	23.3	20.9	11.5%	0.6%	-4.0%	13.9%	0
	<i>Consumer Finance</i>	16.5	13.1	25.9%	-0.7%	-13.0%	17.8%	-1
	<i>Capital Markets</i>	23.5	19.8	18.8%	1.2%	-4.4%	-0.7%	1
	<i>Insurance</i>	15.1	12.4	21.7%	4.5%	1.4%	18.4%	1
Health Care		23.2	20.5	13.5%	0.2%	2.1%	12.2%	0
	<i>Health Care Providers & Services</i>	14.1	16.0	-12.0%	0.7%	-0.8%	16.1%	-1
	<i>Health Care Equipment & Supplies</i>	26.8	24.3	10.3%	0.1%	-6.4%	22.2%	0
	<i>Life Sciences Tools & Services</i>	24.8	23.6	5.1%	0.7%	-11.6%	2.7%	-1
	<i>Biotechnology</i>	27.9	21.7	29.0%	-0.6%	9.3%	20.0%	-1
	<i>Pharmaceuticals</i>	26.6	20.1	32.1%	0.3%	9.5%	8.0%	0
Industrials		35.4	30.1	17.6%	4.2%	14.1%	-10.2%	1
	<i>Aerospace & Defense</i>	87.5	40.4	116.9%	32.4%	18.3%	-12.4%	1
	<i>Building Products</i>	28.8	28.5	1.4%	-0.2%	14.3%	-26.7%	0
	<i>Trading Companies & Distributors</i>	27.9	27.7	1.0%	-0.8%	12.2%	-7.0%	0
	<i>Electrical Equipment</i>	51.3	42.4	20.9%	0.2%	8.4%	-26.8%	0
	<i>Construction & Engineering</i>	59.2	43.0	37.9%	7.2%	27.1%	-41.7%	1
	<i>Industrial Conglomerates</i>	23.9	23.1	3.3%	-4.9%	14.1%	-8.9%	-1
	<i>Machinery</i>	27.8	31.0	-10.3%	-0.9%	22.0%	-20.3%	-1

Combined signal rules: Green – at least 2 of the following 3 must be green: EPS growth, EPS revision, price momentum

Red – at least 2 of the following 3 must be red: EPS growth, EPS revision, price momentum

Source: Factset, DWS Investment GmbH as of 3/2/2026. Past performance may not be indicative of future results. Forecasts are not a reliable indicator of future returns. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect. Index returns do not reflect fees or expenses, and it is not possible to invest directly in an index.

S&P 500 industry monitor (2 of 2)

Sector	Industry	PE on 2024 Consensus EPS	PE on 2025 Consensus EPS	2025 Consensus EPS Growth	2025 EPS 3m Revision	3m Total Return Momentum	2026 End Upside (Intrinsic Valuation)	Combined Signal
	Commercial Services & Supplies	35.5	33.0	7.8%	0.1%	5.9%	-20.4%	0
	Professional Services	22.5	20.4	10.3%	0.7%	-11.9%	24.4%	0
	Air Freight & Logistics	19.3	19.7	-2.1%	2.6%	25.8%	-8.4%	1
	Passenger Airlines	12.9	13.3	-2.9%	-3.6%	11.0%	0.9%	-1
	Ground Transportation	29.8	21.7	37.1%	-4.2%	6.6%	-0.7%	0
Information Technology		40.8	31.8	28.3%	3.3%	-5.7%	25.2%	1
	IT Services	19.0	17.4	9.0%	1.2%	-19.2%	46.6%	0
	Software	31.9	26.7	19.4%	1.5%	-20.9%	50.2%	1
	Communications Equipment	29.0	26.4	9.8%	1.2%	10.3%	9.2%	0
	Technology Hardware Storage & Peripherals	37.5	32.4	16.0%	2.8%	-2.1%	15.2%	1
	Electronic Equipment Instruments & Components	45.6	35.2	29.5%	1.4%	21.3%	-14.9%	1
	Semiconductors & Semiconductor Equipment	57.3	37.5	52.5%	5.7%	2.0%	17.5%	1
Materials		27.2	26.9	1.0%	0.5%	20.5%	-8.8%	0
	Chemicals	26.9	29.5	-8.8%	-1.1%	18.1%	-8.6%	-1
	Construction Materials	25.7	27.2	-5.6%	0.0%	3.2%	-53.4%	0
	Metals & Mining	32.9	23.7	38.7%	7.5%	39.4%	-25.4%	1
	Containers & Packaging	21.1	23.4	-10.0%	-7.5%	20.1%	39.4%	1
Real Estate		20.3	19.8	2.9%	1.2%	6.9%	5.7%	0
	Industrial REITs	25.7	24.6	4.6%	0.1%	11.7%	-22.6%	0
	Hotel & Resort REITs	9.9	9.5	5.1%	2.5%	13.1%	0.3%	0
	Office REITs	8.1	8.4	-3.5%	-0.7%	-19.5%	47.5%	-1
	Health Care REITs	28.3	25.6	10.7%	0.8%	1.3%	-16.4%	0
	Residential REITs	15.6	15.4	1.5%	-0.1%	-0.2%	27.2%	0
	Retail REITs	15.9	15.8	0.6%	-0.7%	13.7%	6.6%	0
	Specialized REITs	20.2	20.2	0.0%	3.0%	13.1%	-1.2%	1
	Real Estate Management & Development	35.1	27.8	26.5%	1.2%	-18.8%	2.1%	0
Communication Services		29.6	24.5	21.2%	0.1%	-0.6%	33.8%	0
	Diversified Telecommunication Services	10.2	10.3	-1.1%	1.7%	17.9%	-29.7%	1
	Wireless Telecommunication Services	22.5	22.3	0.6%	-3.6%	4.4%	19.8%	0
	Media	11.8	11.5	2.8%	-0.1%	-3.7%	241.8%	0
	Entertainment	92.3	31.7	191.0%	-0.7%	-4.0%	105.9%	-1
	Interactive Media & Services	34.3	28.4	20.7%	-0.2%	-1.8%	40.3%	-1
Utilities		22.8	22.0	3.7%	-1.2%	6.1%	17.0%	0
	Multi-Utilities	22.9	21.1	8.3%	0.3%	5.8%	10.1%	0
	Water Utilities	25.7	23.9	7.5%	-0.6%	5.2%	2.1%	0
	Gas Utilities	27.1	24.4	11.1%	3.8%	6.5%	-9.3%	0
	Electric Utilities	23.1	21.9	5.5%	0.4%	6.5%	17.4%	0
	Independent Power and Renewable Electricity Producers	18.0	30.3	-40.6%	-32.7%	1.4%	36.9%	0
S&P 500		28.8	25.2	14.3%	0.9%	0.7%	11.0%	0

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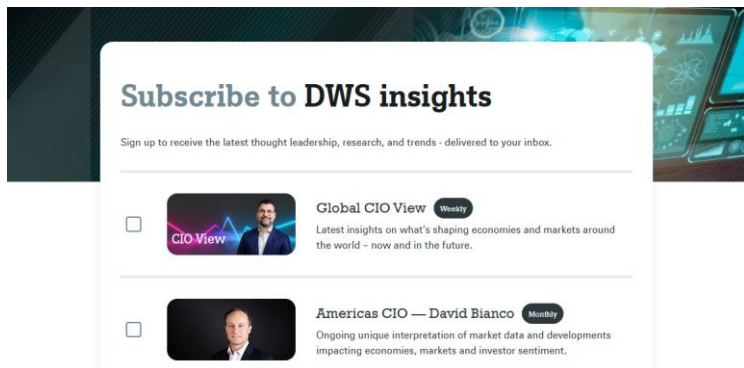
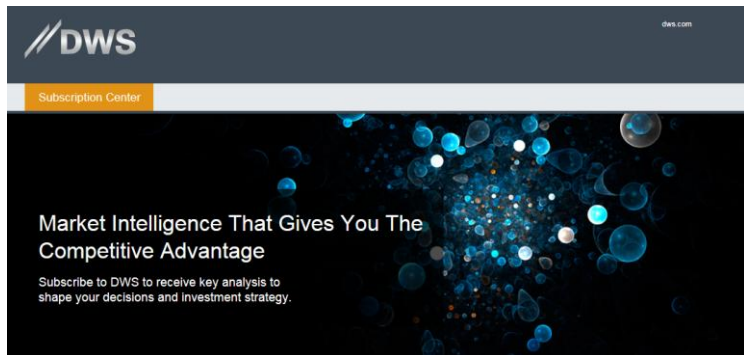
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