

Altitude Sickness: Breathe, go slowly, stick to the big markers

Valuations remain sky high, despite the gravity of new normal real interest rates

At slightly more than one month into Trump 3.0 and nearly two months into 2025, the US equity market continues to trade at sky high valuations, despite real interest rates seemingly settling into a new norm of about 2% essentially across the curve. The chances of Fed Funds rate cuts this year have dived owing to inflation chronically above the Fed's target this cycle, but equity investors are focused on 10yr Treasury yields and fortunately Trump team 3.0 understands the importance of making efforts to keep 10yr yields under 5% while they keep fiscal policy loose.

The S&P 500 was a bit volatile last week, setting an all-time closing high of 6144 on Wednesday, but then dropping 2.1% by Friday to 6013, essentially back to levels the days after the election before drifting down about 2.2% in late December to finish 2024 at 5882 because 10yr Treasury yields climbed from about 4.25% near the election to 4.75% near 2024 yearend and now 4.5%. The nearly complete results and guidance of 4Q earnings season did not make the S&P 500 any cheaper; as the S&P set new highs on Feb 13th and then higher Feb 20th, S&P EPS results only met 4Q expectations of \$65 and \$245 for 2024 and bottom-up 2025E was cut 1.5% YTD.

EPS Tracker (week 6): 4Q24 growth is an indicator for 2025 ex. tax cuts / tariffs

After a strong and truly better than expected start to 4Q24 earnings season from big banks, EPS results have been in-line with expectations before the routine window dressing estimate cuts made within two months prior to actual reporting to deliver the usual or farcical avg. S&P beat of 3-5% that occurs every quarter absent the onset of recessions. Nevertheless, non-sense of the beat aside, 4Q S&P EPS growth y/y was very strong as expected at 15%. With just Nvidia left to report, Great Eight blended EPS growth y/y is 31%. Notably, the S&P 492 at near 90% of earnings reported, has blended EPS growth y/y of 10% and while Financials boosted S&P 492 with near 30% EPS growth y/y, S&P 492 ex. Financials & Energy also had 10% y/y EPS growth.

Superior growth at Great Eight, Financials, Utilities, Health Care and mega-caps

Beyond the Great Eight and Financials, strongest sector EPS growth was at Utilities and Health Care. We also see an ongoing trend of the largest firms by sector and key industries posting stronger EPS growth than their smaller peers, despite usually having more dollar strength FX headwind. Larger companies are driving better sales growth and especially margin expansion.

At least a few things seem to be driving this superior profit growth at the titans of their respective industries even beyond the Great Eight, including: 1) pricing power on high capacity utilization (most things electric power related) or just still hiking prices both in the U.S and also abroad, 2) less sensitivity to still upward wage/benefits pressure on lower pay employees, 3) better use of technology to drive cost savings. The biggest companies are also usually less commoditized, better branded and/or define their business segment. Furthermore, the goods retailing industry continues to consolidate to the titans. There are exceptions to this big has better profit growth trends to note right now, such as weakness at big Energy vs. small, better profit growth at smaller quick serve restaurants and self-inflicted problems such as that at the commercial aircraft leader.

Near-term risks and the long-term potential of AI favor bigger firms: Favor the 92

When assessing near-term uncertainties, in general, we think smaller companies are at greater risk to tariffs and the possibility of higher Treasury bond yields. Smaller companies are still priced with hope for Fed Funds rate cuts this year, especially smaller banks (cuts without a faltering economy), and also priced more for the possibility of a lower US corporate tax rate than large companies. When assessing long-term trends such as the use of advanced technology and AI, in general, we think bigger companies are better positioned to benefit. Just as globalization helped big outperform small for a long-time, digitalization might extend the large firm advantage. Thus, while we think it important to diversify from the Great Eight, we think the S&P 492 or just the next 92 of the S&P 100 is more attractive than the S&P 600 (small) or S&P 400 (mid-caps).

Trump 3.0: Bark & Bite with Tariffs, DOGE and Peace Now or Pay-the-Price

It's been hard to keep up with the many executive actions and announcements from the new administration. We believe more tariffs are likely on China and the European Union, unless these two fall in-line to oppose Iran and Russia and more fully cooperate with the US geopolitically, economically and on (less) regulation. We expect about \$150bn in annual tariffs by yearend, an about 5% aggregate tariff rate, or 0.5% of GDP. This could raise inflation by 0.25% and slow growth by 0.25% all else the same. Because nominal US GDP is \$30trn, neither tariffs at this scale nor likely DOGE savings are likely to stall the economy or shrink the deficit. Trump is demanding immediate peace in the Middle East and in Eastern Europe on US terms. We are intrigued by such assertions and speculate that if Russia and supporters of Palestinians don't accept US terms then the US will turn its back on both while demanding that the EU and other allies commit forces and pay-up to both finish the fight and rebuild afterward. This direct and bold strategy might work, but risks remain very high and how China reacts to it all is a wildcard.

S&P likely 5700-6300 rangebound until late 2025, favor Health Care & Financials

Go slowly at this altitude to evaluate monetization of AI services, AI chips competition/pricing, tariffs, interest rates, dollar FX rates, oil prices, war and peace, etc. Seek stock specific alpha.

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Global Equity Index Forecasts: 12-months			
Index	Dec 2025F	NTM EPS Growth	Target PE
S&P 500	6,500	12.2%	23.5
EuroStoxx 50	5,350	6.0%	14.6
Stoxx 600	550	6.0%	14.5
MSCI Japan	1,770	7.0%	15.3
MSCI Asia xJ	770	11.0%	14.5
MSCI EM	1,200	11.0%	13.6

S&P 500 Outlook at Yearend			
	2024	2025E	2026E
S&P 500	5882	6500	6900
Dividend Yield	1.28%	1.30%	1.30%
S&P EPS	\$245	\$275	\$303
Trailing PE	24.0	23.6	22.8
DPS	\$75	\$84	\$90

Next 5%+ Price Move
(Up / **Balanced Risk** / Down)

Taxable U.S. Investor Asset Allocations		
Asset Class	Long-term	Current
Fixed Income/cash	31.5%	30%
Equities	58.5%	58.5%
US Equities	41%	40%
S&P 500	37%	36.5%
Small Caps	4%	3.5%
Foreign DM	12.5%	13.5%
Foreign EM	5%	5%
Alternatives	10%	11.5%

Key CIO Views		
Macro signal:	Feb 2025	Dec 2025F
U.S. Fed Funds rate	4.25%-4.50%	3.75%-4.00%
10yr Treasury yield	4.50%	4.50%
US IG Corp Spreads	95bp	85bp
US High Yield Spreads	285bp	325bp
Crude Oil (WTI) \$/bbl	73	65
EUR / USD FX rate	1.05	1.02

GDP Forecasts			
Region	2024F	2025F	2026F
US	2.7%	2.0%	2.2%
World	3.1%	3.1%	3.1%
Euro area	0.7%	0.9%	1.0%
China	4.9%	4.2%	4.0%
Japan	-0.1%	1.2%	0.7%

* Q4/Q4 GDP growth.
EPS = Earnings Per Share; GDP = Gross Domestic Product
FX = Foreign Exchange; TIPS = Treasury Inflation Protected Securities
Source: DWS Investment Management GmbH. All opinions and claims are based upon data on 2/24/2025 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 a reliable indicator of future returns.

S&P 500 Sector and Industry views

	Market	Allocated	Sector	2024	2025	Overweight	2024	2025	Equal weight	2024	2025	Underweight	2024	2025	Sector OW	
Over-weight	10.3%	15.1%	Health Care	20.0	18.0	Biotechnology	22.3	17.8	Health Care Providers & Services	15.0	13.8	Life Sciences Tools & Services	25.9	23.6	Sector OW	10.67%
						Health Care Equipment & Supplies	29.1	26.3							Sector UW	-10.67%
						Pharmaceuticals	17.7	16.2							Industry OW	17.70%
	14.0%	16.8%	Financials	19.2	17.8	Banks	14.9	14.2	Capital Markets	21.8	19.4	Consumer Finance	16.6	15.8	Industry UW	-17.70%
						Insurance	15.4	14.1	Financial Services	27.3	25.7				Beta	0.90
Under-weight	2.3%	3.5%	Utilities	19.5	17.5	Electric Utilities	18.9	17.0	Gas Utilities	20.9	19.0				Tracking Error	275bp
						Multi-Utilities	20.1	18.4	Independent Power & Renewable E	22.3	17.2				Macro tilts:	
									Water Utilities	24.8	23.6					
	3.2%	4.1%	Energy	16.9	15.4	Energy Equipment & Services	13.3	12.6	Oil Gas & Consumable Fuels	17.2	15.6				Great 8	-2.35%
	9.8%	10.9%	Communication Services	23.7	20.8	Entertainment	75.2	32.6	Wireless Telecommunication Servi	27.8	24.2	Diversified Telecommunication Servi	10.5	10.5	Tech + Communications	-2.44%
Under-weight	5.7%	5.4%	Consumer Staples	25.8	24.8	Interactive Media & Services	25.6	23.0				Media	9.9	9.9	Cyclicals (ex. Tech/Comm)	-2.44%
						Beverages	20.6	19.6	Consumer Staples Distribution & R	45.1	42.9	Tobacco	17.5	16.9	Non-Cyclicals	4.84%
									Household Products	24.3	23.3	Food Products	14.2	13.9	Value (Financial+Energy)	3.78%
									Personal Care Products	23.3	16.6				Growth Industries	5.34%
	2.0%	1.5%	Materials	23.9	21.3				Chemicals	24.0	21.7	Containers & Packaging	28.2	23.8	Growth ex Health Care	0.30%
									Construction Materials	32.8	26.3				Consumer	-5.14%
									Metals & Mining	17.9	16.6				Services/Experience	-1.39%
	8.2%	8.1%	Industrials	25.8	22.1	Aerospace & Defense	38.8	23.7	Air Freight & Logistics	15.5	14.2	Building Products	22.9	21.9	Disc. Goods/Retail	-1.47%
						Electrical Equipment	32.1	26.8	Construction & Engineering	34.1	25.6	Commercial Services & Supplies	44.9	40.5	Durable Goods	-2.01%
									Industrial Conglomerates	21.0	19.4	Ground Transportation	27.2	25.1	Staples Goods/Retail	0.05%
									Machinery	20.0	19.1	Professional Services	28.9	26.8	Commodity	-0.35%
									Passenger Airlines	11.6	10.3	Trading Companies & Distributors	22.9	21.2	Energy Ex. Services	-0.17%
	2.1%	1.3%	Real Estate	19.5	18.7				Hotel & Resort REITs	8.5	8.0	Health Care REITs	20.9	20.9	Metals/Chemicals	-0.18%
									Industrial REITs	22.8	21.1	Residential REITs	18.5	18.2	Capex	5.46%
									Office REITs	10.0	11.2	Retail REITs	14.5	13.6	Capacity additions	2.27%
									Real Estate Mgmt. & Development	41.8	35.8				Productivity	3.19%
									Specialized REITs	20.1	19.2				Health Care	5.04%
	31.5%	27.4%	Information Technology	34.6	28.7	Software	34.0	30.2	Technology Hardware Storage & P	33.7	30.2	Communications Equipment	18.8	18.0	Medicine	3.50%
						IT Services	27.4	25.3				Electronic Equipment	25.8	22.9	Devices/Equip./Tools	1.72%
												Semiconductors	40.1	28.5	Insurers/Facilities	-0.18%
	10.9%	6.0%	Consumer Discretionary	31.3	28.0	Automobile Components	10.6	9.8	Broadline Retail	41.4	35.1	Automobiles	40.0	35.5	Financials	3.02%
									Distributors	16.8	15.6	Hotels Restaurants & Leisure	29.7	26.1	Bond Substitutes	-1.84%
									Household Durables	11.3	10.6	Specialty Retail	24.2	23.0	Weak FX \$ plays	-0.11%
									Leisure Products	17.9	17.9				High R&D plays	5.85%
									Textiles Apparel & Luxury Goods	26.9	25.8				Transports	-0.69%
Aggregate PE: DWS View						Overweight	23.9	21.1	Equalweight	24.2	22.1	Underweight	28.4	24.4	Geopolitical risk	1.10%
S&P 500									2024 & 2025 EPS	245.00	275.00	2024 & 2025 PE	25.0	22.2	Weak oil prices	-0.47%
									Bottom-up Consensus EPS	247.15	273.91	Bottom-up Cons. PE	24.8	22.3	Inflation shock	-0.21%
												2024 & 2025 Ex Energy PE	25.7	22.7	Stagflation protection	2.05%
												Btm-up Cons. Ex Energy PE	25.3	22.7	Trade sensitive	0.12%
															Domestic GDP	0.31%
															Global GDP	-0.33%

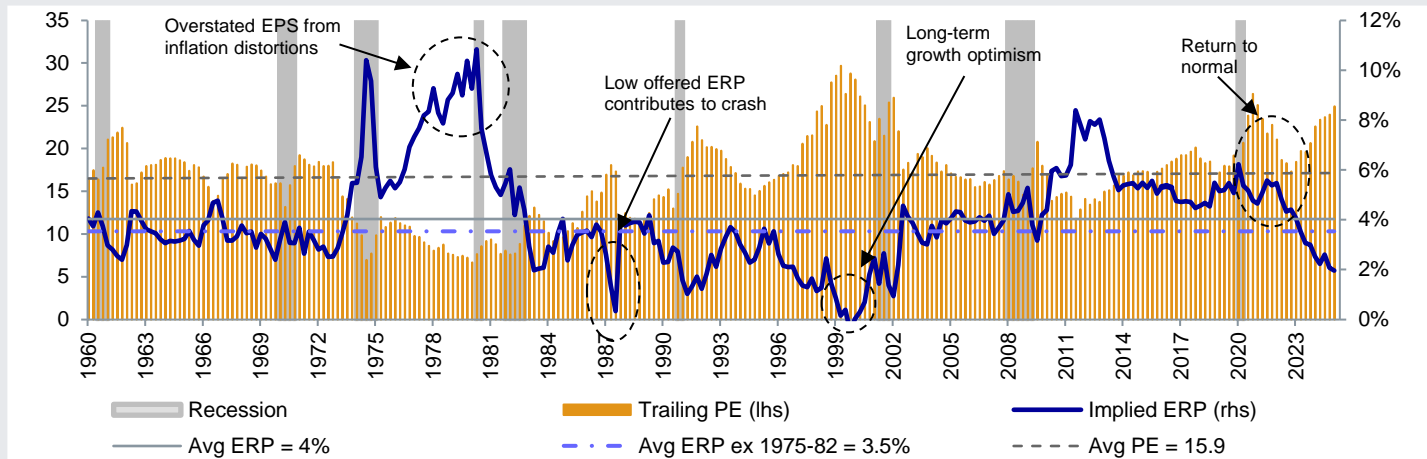
More details on sector earnings forecast and sector intrinsic valuation can be found towards the back of this note.

Price as of 2/20/2025

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

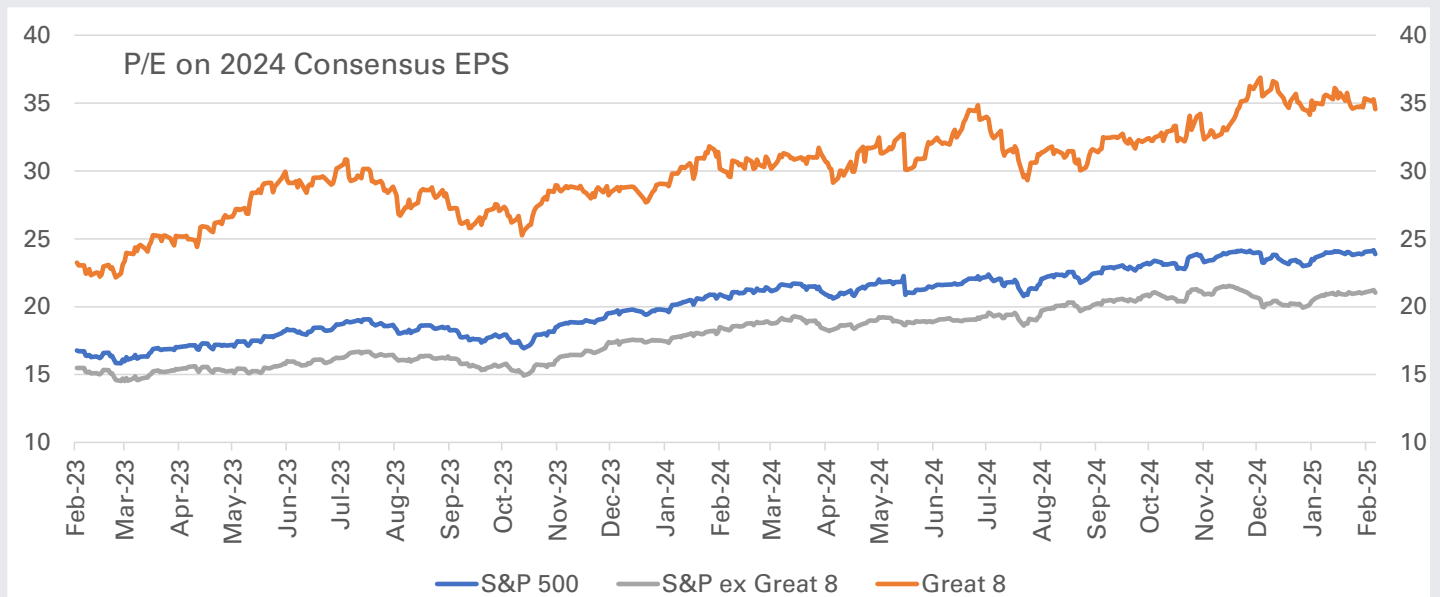
Source: DWS Investment Management GmbH. Past performance may not be indicative of future results.

S&P 500 PE and implied equity risk premium (ERP)



Source: S&P, IBES, Haver, DWS Investment GmbH as of 2/20/2025. Past performance may not be indicative of future results.

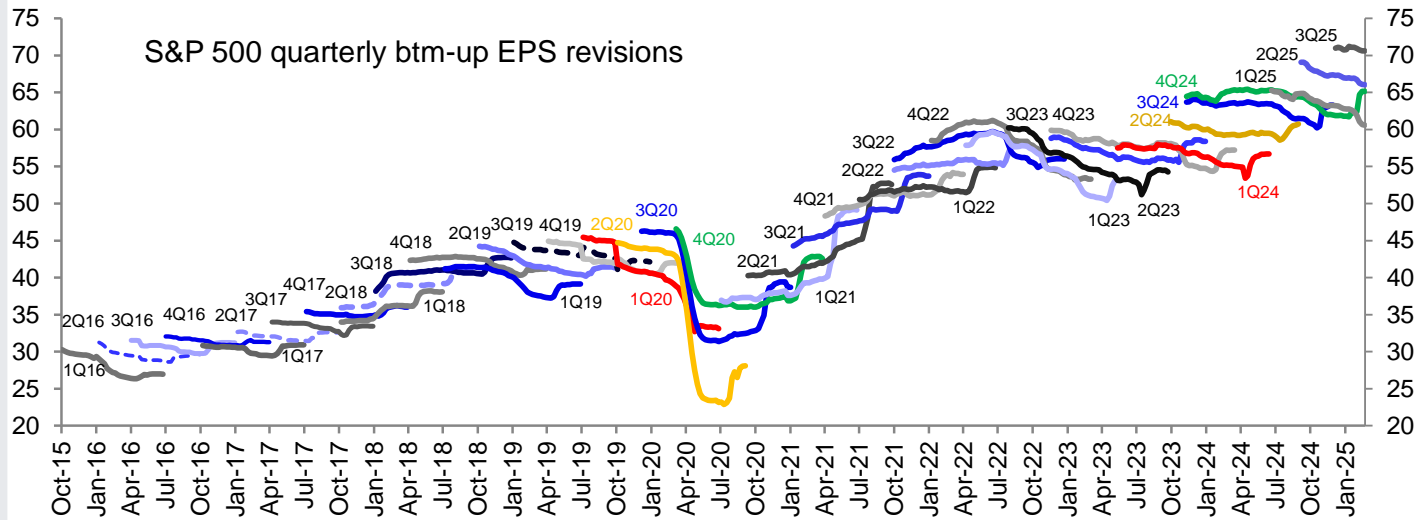
S&P 500 and the great 8 P/E ratio



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

Source: IBES, Factset, DWS Investment GmbH as of 2/21/2025. Past performance may not be indicative of future results.

S&P 500 quarterly EPS revision



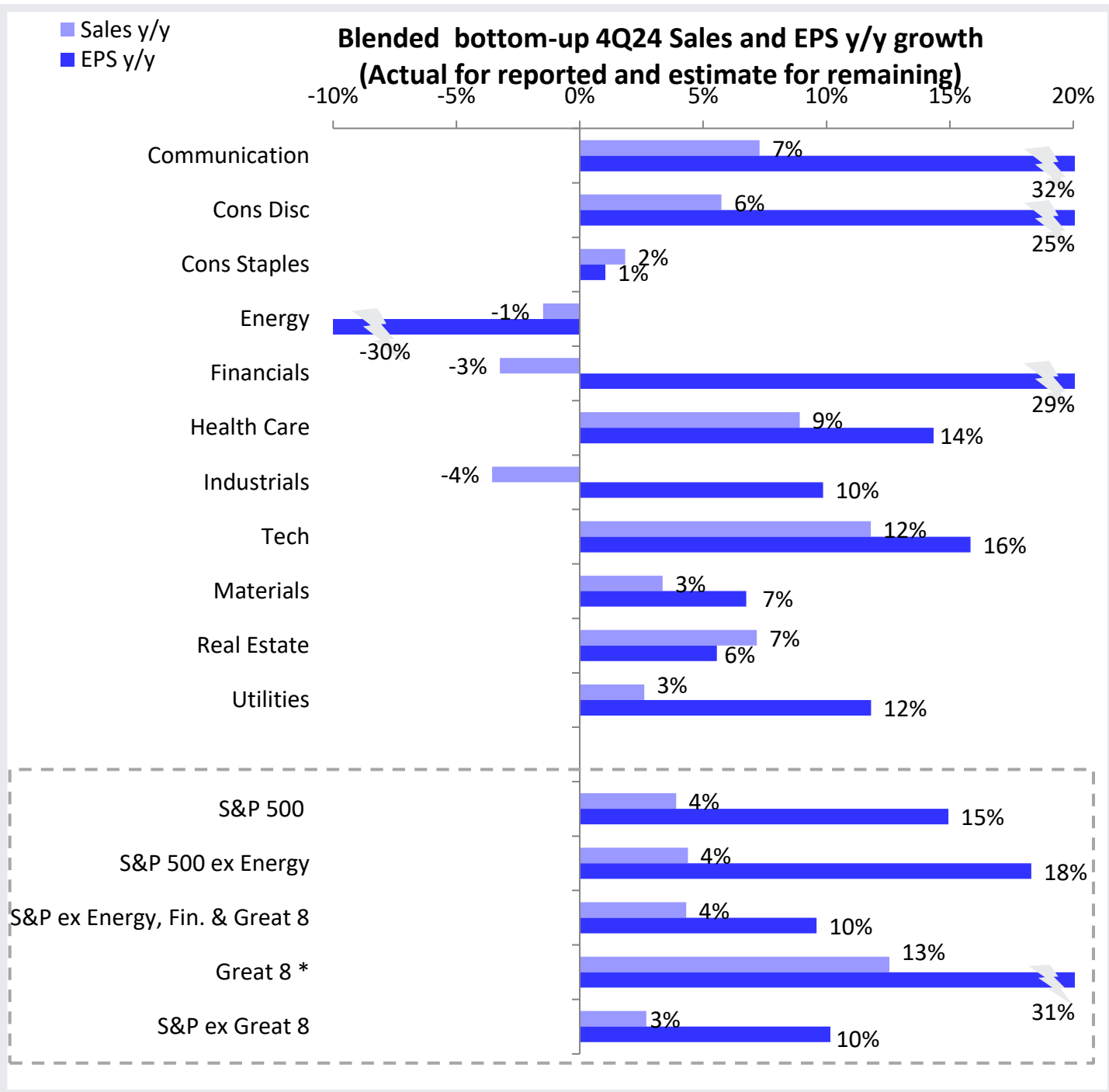
Source: Factset, DWS Investment GmbH as of 2/21/2025. Past performance may not be indicative of future results.

S&P 500 4Q earnings season summary

	4Q24 Summary (Based on reported companies)									
	% of EPS reported	# Cos reported	EPS (% of co's)		EPS surprise (%)		Sales (% of co's)		Sales surprise (%)	
			% beat	% miss			% beat	% miss		
S&P 500	87.0%	420	72%	23%	6.2%	14.2%	45%	29%	0.8%	3.5%
S&P ex. Tech	91.2%	368	71%	24%	7.0%	15.5%	45%	31%	0.8%	3.0%
S&P 500 ex. Financials & Real Est	86.7%	329	72%	23%	5.3%	11.0%	46%	29%	0.7%	4.2%
S&P 500 ex. Energy	87.2%	403	73%	22%	6.7%	17.6%	45%	28%	0.8%	4.1%
S&P ex. Energy, Financials & Real Est	86.9%	312	72%	22%	5.9%	15.0%	45%	29%	0.7%	4.9%
Communication Services	100.1%	19	84%	11%	7.9%	30.9%	47%	21%	0.6%	7.8%
Consumer Discretionary	81.7%	37	84%	22%	15.3%	31.4%	68%	16%	2.1%	5.9%
Consumer Staples	87.1%	28	64%	21%	3.1%	3.7%	57%	36%	0.4%	3.1%
Energy	83.4%	17	59%	35%	-4.5%	-32.4%	59%	35%	0.9%	-2.2%
Financials	91.4%	68	82%	18%	10.8%	30.7%	50%	29%	1.8%	-1.7%
Health Care	97.0%	54	72%	20%	1.2%	14.2%	61%	11%	1.2%	9.0%
Industrials	98.8%	74	76%	23%	12.5%	9.8%	30%	41%	-0.3%	-3.6%
Information Technology	74.2%	52	85%	13%	3.3%	9.4%	44%	12%	1.0%	7.9%
Materials	95.3%	27	56%	33%	2.5%	4.1%	19%	59%	-1.6%	-3.8%
Real Estate	64.6%	23	52%	30%	2.2%	7.1%	22%	13%	1.2%	9.6%
Utilities	75.1%	21	33%	48%	1.8%	8.3%	38%	62%	-5.8%	-0.4%
Great 8 *	85.5%	8	88%	13%	6.9%	26.8%	50%	38%	0.1%	9.7%
S&P ex Great 8	87.5%	415	72%	23%	6.0%	10.4%	45%	28%	0.9%	2.6%

Source: Factset, DWS Investment GmbH as of 2/21/2025. Past performance may not be indicative of future results.

S&P 500 4Q sales and EPS y/y growth by sector



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

Source: Factset, DWS Investment GmbH as of 2/21/2025. Past performance may not be indicative of future results.

S&P 500 4Q EPS and sales y/y growth and net margins by sector

	2021					2022					2023					2024			
EPS growth (y/y)	1Q21	2Q21	3Q21	4Q21	2021	1Q22	2Q22	3Q22	4Q22	2022	1Q23	2Q23	3Q23	4Q23	2023	1Q24	2Q24	3Q24	4Q24
S&P 500	49.8%	88.9%	40.0%	31.9%	54.9%	10.4%	7.9%	4.7%	-3.1%	1.2%	0.1%	-2.1%	7.1%	9.3%	2.9%	7.9%	12.7%	9.1%	14.9%
S&P 500 ex. Tech	49.4%	100.3%	39.9%	34.4%	51.8%	9.6%	9.9%	6.4%	-1.0%	6.4%	2.3%	-3.8%	5.2%	5.0%	2.4%	3.8%	10.7%	6.7%	14.6%
S&P 500 ex. Financials & Real Est	38.3%	77.6%	42.1%	38.2%	54.7%	17.5%	14.2%	8.6%	-2.0%	4.3%	-1.3%	-4.5%	4.4%	10.6%	1.4%	6.9%	11.7%	9.6%	12.4%
S&P 500 ex. Energy	51.0%	75.6%	32.7%	24.3%	48.1%	5.0%	-2.3%	-2.8%	-7.3%	-5.4%	-1.9%	4.5%	12.5%	12.9%	6.2%	11.0%	13.5%	11.8%	18.3%
S&P ex. Energy, Fin & Real Est	39.3%	61.9%	32.8%	28.2%	46.0%	10.4%	1.1%	-0.9%	-7.3%	-4.1%	-4.0%	3.5%	10.8%	15.3%	5.3%	10.9%	12.8%	13.2%	16.4%
Communication Services	53.9%	68.0%	41.5%	17.6%	39.5%	-4.1%	-13.5%	-21.8%	-27.1%	-17.3%	-10.7%	14.3%	45.6%	52.9%	24.2%	42.9%	8.0%	25.7%	32.2%
Consumer Discretionary	168.5%	380.3%	19.0%	90.4%	93.0%	-25.7%	-7.8%	20.5%	-13.5%	-4.9%	57.0%	54.6%	37.8%	35.8%	44.5%	26.9%	14.9%	11.4%	25.1%
Cons. Disc. ex. Auto	105.1%	224.4%	37.4%	110.4%	91.6%	-36.5%	-18.4%	14.1%	-26.3%	-12.8%	85.9%	62.6%	50.1%	67.1%	63.0%	42.2%	20.4%	9.9%	24.7%
Cons. Disc. ex. Broadline Retail	168.0%	2148.5%	39.8%	90.3%	113.7%	15.5%	25.7%	23.8%	34.4%	28.1%	23.5%	26.5%	23.1%	6.1%	19.0%	7.5%	1.3%	1.6%	5.3%
Cons. Disc. ex. Auto & Broadline Retail	81.2%	561.8%	79.1%	128.0%	117.4%	19.5%	17.3%	17.2%	26.7%	27.5%	31.0%	26.1%	32.6%	26.3%	28.3%	17.3%	3.9%	-2.3%	0.8%
Consumer Staples	21.1%	16.1%	6.7%	7.0%	12.8%	2.2%	-3.4%	-0.7%	-1.6%	0.7%	3.5%	10.1%	8.3%	8.7%	7.5%	7.1%	3.6%	4.4%	1.0%
Energy	9.2%	24.4%	1932%	7749%	-1172%	252.3%	304.3%	147.5%	63.4%	159.1%	26.4%	-47.7%	-32.8%	-22.8%	-25.4%	-24.7%	0.0%	-26.8%	-29.6%
Financials	115.9%	162.2%	34.5%	12.5%	62.4%	-13.3%	-15.6%	-12.1%	-9.5%	-12.6%	6.9%	9.6%	22.5%	5.1%	10.7%	12.6%	19.0%	7.9%	29.4%
Health Care	27.3%	24.9%	27.3%	26.4%	27.4%	17.3%	9.0%	0.4%	-3.3%	7.0%	-14.3%	-26.1%	-17.5%	-14.3%	-19.4%	-24.7%	19.1%	14.2%	14.3%
Industrials	7.7%	246.2%	59.7%	31.0%	63.7%	23.7%	18.6%	14.1%	36.4%	18.3%	18.4%	20.3%	16.0%	9.6%	20.7%	6.9%	2.6%	-2.6%	9.9%
Industrials ex. Aerospace & Defense	6.7%	172.1%	69.3%	41.8%	71.6%	27.6%	27.3%	23.7%	20.8%	21.3%	18.1%	20.2%	10.6%	8.9%	19.5%	4.1%	3.1%	7.3%	19.5%
Industrials ex. Transportation	21.5%	107.8%	22.6%	2.3%	29.7%	9.8%	8.4%	6.5%	37.8%	14.0%	16.7%	16.8%	23.1%	12.4%	17.1%	12.3%	4.8%	-10.7%	-8.1%
Information Technology	51.6%	52.7%	40.3%	24.0%	65.7%	13.3%	-0.8%	-2.1%	-10.2%	-15.3%	-8.3%	5.6%	15.9%	25.9%	4.8%	26.0%	20.7%	18.7%	15.8%
Materials	52.6%	146.4%	100.4%	78.1%	95.2%	51.6%	20.6%	-8.3%	-21.7%	8.1%	-22.6%	-26.6%	-17.5%	-18.0%	-22.0%	-16.1%	-3.6%	-6.6%	6.7%
Real Estate	9.2%	30.3%	18.8%	10.3%	15.4%	16.9%	10.8%	10.6%	9.1%	12.1%	-2.3%	-0.1%	-0.9%	0.2%	0.3%	3.9%	-1.9%	1.6%	5.6%
Utilities	-22.4%	7.0%	7.1%	7.6%	-4.0%	44.7%	-17.3%	-3.8%	-13.3%	1.4%	-20.8%	12.6%	5.1%	28.3%	8.2%	24.1%	15.9%	16.8%	11.8%

	2021					2022					2023					2024			
Sales growth (y/y)	1Q21	2Q21	3Q21	4Q21	2021	1Q22	2Q22	3Q22	4Q22	2022	1Q23	2Q23	3Q23	4Q23	2023	1Q24	2Q24	3Q24	4Q24
S&P 500	9.5%	21.8%	13.9%	15.2%	15.0%	13.6%	12.2%	13.0%	9.0%	11.9%	9.1%	7.1%	5.0%	6.2%	6.8%	4.5%	5.8%	7.0%	3.9%
S&P 500 ex. Tech	10.5%	25.0%	15.8%	15.7%	17.0%	13.5%	12.3%	12.5%	9.2%	11.7%	9.2%	6.9%	5.0%	6.4%	7.0%	4.6%	5.8%	7.4%	2.9%
S&P 500 ex. Financials & Real Est	11.9%	26.6%	17.4%	16.5%	19.0%	15.4%	13.3%	12.5%	8.0%	11.6%	7.0%	4.8%	4.0%	6.1%	6.0%	4.2%	6.2%	8.0%	4.9%
S&P 500 ex. Energy	12.4%	20.7%	13.5%	11.6%	14.2%	10.4%	6.7%	8.7%	7.1%	8.1%	9.0%	10.7%	7.1%	8.2%	8.9%	5.7%	6.2%	9.1%	4.4%
S&P ex. Energy, Fin & Real Est	12.7%	22.2%	13.8%	11.8%	15.8%	11.9%	7.4%	8.8%	7.3%	8.1%	8.2%	9.9%	6.7%	7.9%	9.1%	5.0%	6.0%	9.5%	5.6%
Communication Services	8.4%	22.3%	13.3%	22.7%	19.9%	8.0%	7.6%	5.6%	4.4%	2.4%	5.0%	3.3%	5.9%	6.5%	5.0%	6.7%	5.9%	10.9%	7.3%
Consumer Discretionary	22.5%	39.4%	12.3%	12.4%	14.3%	10.8%	12.7%	16.0%	11.2%	11.4%	8.9%	9.8%	7.1%	5.8%	8.2%	5.7%	5.0%	6.2%	5.7%
Cons. Disc. ex. Auto	27.4%	33.5%	18.6%	14.7%	15.9%	10.7%	9.5%	11.6%	7.8%	8.1%	6.6%	6.4%	6.8%	6.8%	7.2%	6.6%	4.7%	5.7%	6.3%
Cons. Disc. ex. Broadline Retail	16.2%	45.0%	11.4%	13.7%	11.7%	12.2%	14.9%	16.6%	12.4%	12.3%	8.8%	9.4%	5.2%	2.7%	6.9%	3.3%	3.3%	4.5%	3.7%
Cons. Disc. ex. Auto & Broadline Retail	20.5%	37.6%	20.4%	18.1%	13.2%	12.7%	10.9%	10.4%	7.4%	7.7%	5.3%	4.3%	3.9%	2.8%	4.8%	3.6%	2.1%	2.9%	3.7%
Consumer Staples	5.2%	11.4%	10.8%	9.3%	10.5%	9.2%	9.3%	9.2%	6.1%	6.5%	5.3%	3.0%	3.6%	3.0%	1.3%	1.2%	4.2%	2.0%	1.8%
Energy	3.6%	108.2%	71.3%	89.0%	65.6%	56.6%	77.4%	49.4%	14.5%	47.5%	-3.4%	-28.6%	-15.7%	-9.8%	-16.5%	-3.7%	7.9%	-5.4%	-1.5%
Financials	11.3%	12.4%	11.9%	9.8%	4.9%	1.1%	1.7%	7.6%	6.2%	7.6%	14.5%	16.1%	9.8%	9.8%	8.2%	9.7%	7.3%	7.3%	-3.2%
Health Care	10.0%	19.4%	15.9%	14.4%	15.1%	15.5%	10.6%	5.9%	4.7%	8.9%	3.6%	5.0%	6.2%	7.3%	4.0%	6.8%	7.7%	10.4%	8.9%
Industrials	1.5%	27.3%	16.4%	13.3%	17.4%	12.9%	13.2%	13.1%	11.0%	10.5%	6.3%	3.5%	3.3%	5.5%	4.3%	3.7%	2.8%	0.4%	-3.6%
Industrials ex. Aerospace & Defense	6.5%	35.3%	22.8%	20.9%	24.0%	19.2%	18.9%	16.6%	10.7%	13.1%	9.2%	4.9%	4.4%	6.0%	4.0%	2.4%	2.3%	0.1%	-0.6%
Industrials ex. Transportation	2.6%	21.0%	9.3%	5.6%	14.2%	6.1%	6.3%	10.1%	11.9%	7.1%	7.3%	7.1%	6.8%	8.1%	6.2%	4.5%	2.5%	-1.2%	-6.1%
Information Technology	22.7%	20.9%	24.0%	15.6%	17.4%	13.7%	8.3%	7.0%	-2.7%	7.2%	-2.5%	-0.2%	2.7%	7.7%	0.4%	7.7%	10.6%	12.6%	11.8%
Materials	16.2%	39.6%	36.8%	42.1%	30.0%	24.2%	17.4%	5.9%	-4.5%	12.1%	-6.9%	-11.4%	-9.6%	-4.0%	-20.0%	2.2%	1.8%	8.6%	3.4%
Real Estate	2.9%	19.2%	16.6%	18.4%	12.6%	20.7%	17.1%	14.3%	8.0%	14.6%	6.1%	6.4%	6.5%	8.2%	6.7%	7.4%	5.4%	6.9%	7.2%
Utilities	9.4%	5.4%	4.7%	52.1%	20.8%	19.5%	30.1%	32.8%	20.2%	10.9%	12.6%	-2.6%	-6.2%	-8.0%	-1.1%	-8.2%	4.0%	4.0%	2.6%

	2021					2022					2023					2024			
Net margins	1Q21	2Q21	3Q21	4Q21	2021	1Q22	2Q22	3Q22	4Q22	2022	1Q23	2Q23	3Q23	4Q23	2023	1Q24	2Q24	3Q24	4Q24
S&P 500	13.7%	13.9%	13.7%	13.2%	14.2%	13.1%	13.1%	12.6%	11.6%	12.6%	11.9%	11.9%	12.7%	11.7%	12.0%	12.1%	12.4%	12.6%	13.4%
S&P 500 ex. Tech	12.4%	12.6%	12.4%	11.6%	12.2%	11.8%	12.1%	11.5%	10.3%	11.4%	10.8%	10.7%	11.3%	10.0%	10.7%	10.5%	11.0%	11.0%	11.4%
S&P 500 ex. Financials & Real Est	11.9%	12.3%	12.5%	12.1%	12.7%	12.0%	12.2%	11.8%	10.7%	11.7%	10.8%	10.9%	11.6%	11.0%	10.9%	10.9%	11.3%	11.7%	12.2%
S&P 500 ex. Energy	14.4%	14.5%	14.2%	13.6%	14.7%	13.4%	13.0%	12.4%	11.5%	12.6%	11.8%	12.1%	12.8%	11.8%	12.1%	12.3%	12.7%	13.0%	13.8%
S&P ex. Energy, Fin & Real Est	12.6%	12.9%	12.9%	12.4%	13.3%	12.2%	11.9%	11.5%	10.4%	11.5%	10.6%	11.0%	11.7%	11.0%	10.9%	11.1%	11.5%	12.0%	12.6%
Communication Services	19.9%	19.8%	19.1%	18.0%	18.4%	17.4%	15.0%	13.2%	11.6%	14.0%	14.1%	15.9%	17.6%	16.3%	16.0%	18.5%	15.9%	19.6%	19.8%
Consumer Discretionary	8.0%	8.3%	7.9%	8.4%	8.0%	5.1%	6.5%	8.0%	6.2%	6.6%	7.1%	9.0%	10.1%	7.9%	8.6%	8.3%	9.5%	10.3%	9.2%
Cons. Disc. ex. Auto	7.7%	9.0%	8.3%	8.9%	8.1%	4.1%	6.3%	8.1%	5.7%	6.1%	6.8%	9.4%	11.2%	8.8%	9.1%	8.7%	10.4%	11.2%	10.3%
Cons. Disc. ex. Broadline Retail	8.0%	8.7%	9.5%	7.4%	8.2%	7.9%	9.1%	9.8%	8.5%	9.0%	8.6%	10.2%	11.2%	8.5%	9.7%	8.6%	9.6%	10.4%	8.4%
Cons. Disc. ex. Auto & Broadline Retail	7.5%	9.8%	10.6%	7.8%	8.3%	7.5%	9.8%	10.7%	8.7%	9.3%	8.8%	11.5%	13.3%	10.4%	11.1%	9.5%	11.1%	12.0%	9.9%
Consumer Staples	6.9%	7.0%	6.8%	6.4%	6.5%	6.3%	6.1%	6.1%	5.8%	6.0%	6.1%	6.5%	6.3%	6.1%	6.3%	6.5%	6.4%	6.4%	6.5%
Energy	4.4%	6.3%	8.8%	9.3%	7.3%	10.1%	14.3%	14.3%	12.7%	12.7%	12.6%	9.9%	10.7%	10.5%	10.8%	9.6%	9.2%	8.5%	7.8%
Financials	23.4%	22.9%	20.4%	19.8%	22.8%	19.4%	18.3%	16.2%	16.5%	18.0%	17.8%	17.0%	17.8%	15.5%	18.1%	17.9%	18.5%	17.5%	20.3%
Health Care	11.6%	11.4%	11.4%	10.4%	10.9%	11.7%	11.1%	10.6%	9.5%	10.6%	9.5%	7.7%	8.1%	7.4%	8.1%	6.6%	8.3%	8.3%	7.7%
Industrials	8.2%	9.7%	9.7%	8.4%	8.7%	8.8%	9.8%	9.4%	10.1%	9.0%	9.5%	11.2%	10.4%	10.3%	10.2%	9.6%	11.0%	9.9%	11.4%
Industrials ex. Aerospace & Defense	9.5%	10.6%	11.2%	10.7%	9.8%	9.9%	11.1%	11											



DWS Investment GmbH S&P 500 Annual EPS Outlook

	2014A	2015A	2016A	2017A	2018A	2019A	2020A	2021A	2022A	2023A	y/y	2014-2023 CAGR	Bottom-up Consensus (IBES)				DWS View				Normalized 2025	
													2024E	y/y	2025E	y/y	2024E	y/y	2025E	y/y	(\$)	% of 2025
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	1.5%	7.2%										
S&P 500 EPS (current constituents)	\$116.94	\$117.28	\$117.85	\$131.21	\$157.97	\$159.48	\$143.22	\$217.85	\$218.24	\$221.97	1.7%	7.4%	\$247	11.3%	\$274	10.8%	\$245	10.0%	\$275	12.2%	\$280	102%
Sector (\$ bn)																						
Communication Services	66.7	77.1	89.2	97.3	121.7	128.5	132.5	184.6	144.4	173.5	20.1%	11.2%	218.9	26.2%	244.7	11.8%	215.0	23.9%	245.0	14.0%	244.8	100%
Consumer Discretionary	57.9	68.2	75.8	80.2	95.6	94.0	63.9	121.9	111.3	157.2	41.2%	11.7%	185.7	18.2%	199.0	7.1%	178.8	13.7%	200.0	11.9%	209.7	105%
Consumer Staples	92.0	90.1	92.3	96.6	104.1	105.0	113.0	126.8	126.0	133.9	6.3%	4.3%	137.1	2.4%	141.8	3.5%	127.0	-5.2%	132.5	4.3%	129.7	98%
Energy	94.3	39.9	10.6	36.9	69.0	48.0	-6.7	76.1	194.2	137.9	-29.0%	4.3%	109.2	-20.8%	110.8	1.4%	110.0	-20.2%	120.5	9.5%	120.5	100%
Financials	184.7	200.3	204.2	213.4	262.6	276.7	226.3	363.5	308.8	335.2	8.5%	6.8%	384.6	14.7%	415.1	8.0%	376.5	12.3%	405.0	7.6%	399.9	99%
Health Care	137.2	152.1	156.9	171.1	187.9	205.7	226.2	291.7	307.9	243.8	-20.8%	6.6%	269.8	10.6%	304.6	12.9%	272.0	11.6%	303.0	11.4%	297.8	98%
Industrials	96.8	98.1	95.3	105.1	129.1	112.1	71.1	118.0	135.8	160.3	18.0%	5.8%	167.2	4.3%	184.4	10.2%	163.5	2.0%	190.5	16.5%	195.9	103%
Information Technology	162.8	169.0	173.7	206.8	241.8	237.4	269.4	443.3	370.9	383.5	3.4%	10.0%	459.6	19.8%	549.5	19.6%	465.0	21.2%	560.0	20.4%	578.3	103%
Materials	24.6	23.1	22.1	28.8	35.9	33.7	32.2	62.3	64.9	49.8	-23.3%	8.2%	46.7	-6.1%	49.6	6.0%	46.0	-7.6%	51.5	12.0%	50.5	98%
Real Estate	22.0	23.7	27.5	31.0	34.8	36.3	36.2	43.1	50.4	52.7	4.5%	10.2%	53.7	1.9%	55.8	3.9%	53.5	1.5%	56.0	4.7%	56.1	100%
Utilities	32.3	32.5	34.9	36.7	40.0	45.2	46.8	47.4	48.7	53.1	9.0%	5.7%	61.7	16.2%	65.9	6.7%	61.5	15.8%	68.5	11.3%	76.1	111%
S&P 500	971.3	974.1	982.7	1103.8	1322.5	1322.7	1210.8	1878.7	1863.4	1880.9	0.9%	7.6%	2094.2	11.3%	2321.0	10.8%	2068.8	10.0%	2332.5	12.7%	2359.2	101%
S&P ex. Energy (\$bn)	876.9	934.2	972.1	1067.0	1253.5	1274.7	1217.5	1802.6	1669.2	1743.0	4.4%	7.9%	1985.0	13.9%	2210.2	11.3%	1958.8	12.4%	2212.0	12.9%	2238.7	101%
S&P ex. Tech (\$bn)	808.5	805.1	809.0	897.0	1080.7	1085.3	941.3	1435.4	1492.5	1497.4	0.3%	7.1%	1634.7	9.2%	1771.5	8.4%	1603.8	7.1%	1772.5	10.5%	1780.9	100%
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	6.8%	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%												

S&P 500 EPS	Whole Year	1Q	2Q	3Q	4Q
2019A	163	39	41	41	42
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
2024E	245	58.00	60.00	62.00	65.00

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)				

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. FFO is used for REITs instead of EPS.

Source: Factset, DWS Investment GmbH as of 2/20/2025. 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.

DWS Investment GmbH View: S&P 500 fair value by sector: Assuming a ~5.25% real cost of equity (CoE) for overall S&P 500

	Market Value (\$bn)	Current 2025 PE	2025E Earnings (\$bn)	Normal Ratio	Normal 2025E Earnings	Accounting Quality Adjustment	Fully Adjusted Earnings	Net Debt / Market Cap	FCF / EPS	Real CoE	Steady State Value	Growth Premium	2025 Start Fair Value (\$bn)	2025E Dividend Yield	2025 End Fair Value (\$bn)	Fair PE on Normal 2025 EPS	2025 End Upside %	2025 End Upside vs. S&P 500
Communication Services	5,089	20.8	245.0	100%	244.8	-5%	232.6	11%	0.83	5.10%	4,560	20%	5,472	0.8%	5,842	23.9	15%	13%
Consumer Discretionary	5,593	28.0	200.0	105%	209.7	-6%	197.1	10%	0.76	5.25%	3,755	39%	5,200	0.7%	5,570	26.6	0%	-3%
Automobiles	1,081	35.5	30.5	110%	33.6	-10%	30.2	32%	0.99	5.75%	525	50%	788	0.3%	851	25.4	-21%	-23%
Broadline (Internet) Retail	2,026	34.3	59.0	110%	64.9	-5%	61.7	0%	0.18	5.10%	1,209	75%	2,116	0.0%	2,276	35.1	12%	10%
ex. Auto & Broadline (Internet) Retail	2,486	22.5	110.5	101%	111.3	-5%	105.3	13%	0.78	5.21%	2,021	14%	2,297	1.4%	2,442	22.0	-2%	-4%
Consumer Staples	3,281	24.8	132.5	98%	129.7	-5%	123.2	14%	0.84	5.00%	2,464	5%	2,587	2.1%	2,726	21.0	-17%	-19%
Energy	1,854	15.4	120.5	100%	120.5	-10%	108.5	14%	0.90	5.75%	1,886	-15%	1,603	3.0%	1,688	14.0	-9%	-11%
Financials	7,227	17.8	405.0	99%	399.9	-7%	370.8		1.11	5.75%	6,449	0%	6,449	1.4%	6,893	17.2	-5%	-7%
Banks	1,934	14.2	136.5	100%	136.5	-7%	126.9		1.11	6.00%	2,116	-10%	1,904	2.2%	2,023	14.8	5%	2%
Health Care	5,448	18.0	303.0	98%	297.8	-8%	274.0	10%	1.14	5.20%	5,269	13%	5,928	1.7%	6,283	21.1	15%	13%
Industrials	4,220	22.1	190.5	103%	195.9	-5%	186.1	15%	0.88	5.25%	3,544	10%	3,899	1.4%	4,148	21.2	-2%	-4%
Information Technology	16,079	28.7	560.0	103%	578.3	-2%	566.7	2%	0.95	5.10%	11,111	40%	15,556	0.6%	16,643	28.8	4%	1%
Materials	1,099	21.3	51.5	98%	50.5	-7%	46.9	16%	0.90	5.50%	853	10%	938	1.8%	997	19.8	-9%	-11%
Real Estate	1,045	18.7	56.0	100%	56.1	-10%	50.5	35%	1.79	5.25%	961	5%	1,009	3.5%	1,052	18.8	1%	-1%
Utilities	1,199	17.5	68.5	111%	76.1	-7%	70.8	79%	-0.81	5.25%	1,348	0%	1,348	3.0%	1,413	18.6	18%	16%
S&P 500 (\$ bn)	52,133	22.4	2332.5	101%	2359.2	-5.6%	2227.1			5.26%	42,201	18.5%	49990	1.2%	53,254	22.6	2%	0%
S&P 500 Index (\$/sh)	6118	22.2	275.0	102%	280.0	-5.4%	265.0	10%	0.93	5.25%	5048	18.5%	5982	1.2%	6361	22.7	4%	0%

>5%	Bigger upside vs. S&P 500
between -5% and 5%	Same upside as S&P 500
<-5%	Smaller upside vs. S&P 500

Source: IBES, DWS Investment GmbH as of 2/20/2025. 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.

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.

DWS Investment GmbH View: S&P 500 fair value by sector and industry: Assuming a ~5.25% real cost of equity (CoE) for overall S&P 500 (1 of 2)

	Market Value (\$bn)	Current 2025 PE	2025E Earnings (\$bn)	Normal Ratio	Normal 2025E Earnings	Accounting Quality Adjustment	Fully Adjusted Earnings	Net Debt / Market Cap	FCF / EPS	Real CoE	Steady State Value	Growth Premium	2025 Start Fair Value (\$bn)	2025E Dividend Yield	2025 End Fair Value (\$bn)	Fair PE on Normal 2025 EPS	2025 End Upside %	2025 End Upside vs. S&P 500
CONSUMER DISCRETIONARY	5,628	28.1	200.0	105%	209.7	-6.0%	197	10%	0.76	5.25%	3,755	38.5%	5,200	0.7%	5,570	26.6	-1%	-3%
Automobile Components	27,092	9.7	2,800	95%	2,660	-20%	2,128	26%	1.00	7.00%	30,400	0%	30,400	0.4%	33,173	12.5	22%	20%
Automobiles	1,081,401	35.5	30,500	110%	33,550	-10%	30,195	32%	0.29	5.75%	525,130	50%	787,696	0.3%	850,571	25.4	-21%	-23%
Distributors	42,876	15.9	2,700	100%	2,700	-8%	2,484	17%	0.93	5.50%	45,164	0%	45,164	2.6%	47,618	17.6	11%	9%
Hotels Restaurants & Leisure	1,097,191	26.8	41,000	100%	41,000	-5%	38,950	18%	0.79	5.10%	763,725	20%	916,471	1.2%	975,533	23.8	-11%	-13%
Household Durables	162,870	10.9	15,000	95%	14,250	-12%	12,540	0%	0.99	6.50%	192,923	0%	192,923	1.0%	208,405	14.6	28%	26%
Broadline Retail	2,026,001	34.3	59,000	110%	64,900	-5%	61,655	0%	0.89	5.10%	1,208,922	75%	2,115,613	0.0%	2,275,847	35.1	12%	10%
Leisure Products	8,947	17.9	500	95%	475	-5%	451	35%	1.00	5.25%	8,595	0%	8,595	4.6%	8,863	18.7	-1%	-3%
Specialty Retail	982,068	24.0	41,000	105%	43,050	-3%	41,759	13%	0.91	5.00%	835,170	15%	960,446	1.5%	1,018,085	23.6	4%	2%
Textiles Apparel & Luxury Goods	199,371	26.6	7,500	95%	7,125	-5%	6,769	-2%	0.97	5.20%	130,168	10%	143,185	1.2%	152,502	21.4	-24%	-26%
CONSUMER STAPLES	3,313	25.0	132.5	98%	129.7	-5.0%	123	14%	0.84	5.00%	2,464	5%	2,587	2.1%	2,726	21.0	-18%	-20%
Beverages	600,950	19.8	30,400	100%	30,400	-5%	28,880	14%	0.85	4.90%	589,388	15%	677,796	2.9%	708,498	23.3	18%	16%
Consumer Staples Distribution & Retail	1,437,056	43.4	33,100	100%	33,100	-5%	31,445	8%	0.65	5.20%	604,712	10%	665,183	0.7%	711,878	21.5	-50%	-53%
Food Products	317,070	14.1	22,500	95%	21,375	-7%	19,879	28%	0.87	5.10%	389,779	-5%	370,290	3.5%	385,356	18.0	22%	19%
Household Products	565,295	23.6	24,000	100%	24,000	-5%	22,800	8%	0.98	5.00%	456,000	15%	524,400	2.4%	550,954	23.0	-3%	-5%
Personal Care Products	59,256	21.2	2,800	110%	3,080	-7%	2,864	16%	0.93	5.25%	54,560	20%	65,472	3.2%	68,441	22.2	16%	13%
Tobacco	333,252	16.9	19,700	90%	17,730	-5%	16,844	29%	1.01	4.75%	354,600	-25%	265,950	4.7%	272,793	15.4	-18%	-20%
Energy	1,897	15.7	120.5	100%	120.5	-10%	108	14%	0.90	5.75%	1,886	-15%	1,603	3.0%	1,688	14.0	-11%	-13%
Energy Equipment & Services	131,544	12.5	10,500	100%	10,500	-10%	9,450	13%	0.91	6.00%	157,500	0%	157,500	2.4%	167,110	15.9	27%	25%
Oil Gas & Consumable Fuels	1,765,597	16.1	110,000	100%	110,000	-10%	99,000	14%	0.90	5.75%	1,721,739	-15%	1,463,478	2.9%	1,541,303	14.0	-13%	-15%
FINANCIALS	7,361	18.2	405.0	99%	399.9	-7.3%	371	0%	1.11	5.75%	6,449	0%	6,449	1.4%	6,893	17.2	-6%	-9%
Capital Markets	1,596,878	19.7	81,000	95%	76,950	-10%	69,255	2%	1.09	6.00%	1,154,250	0%	1,154,250	1.8%	1,231,260	16.0	-23%	-25%
Banks	1,950,640	14.3	136,500	100%	136,500	-7%	126,945	N/A	1.14	6.00%	2,115,750	-10%	1,904,175	2.2%	2,023,615	14.8	4%	2%
Consumer Finance	347,550	16.5	21,000	95%	19,950	-10%	17,955	N/A	1.15	6.00%	299,250	-10%	269,325	1.0%	289,494	14.5	-17%	-19%
Financial Services	2,363,330	26.3	90,000	100%	90,000	-5%	85,500	0%	1.00	5.25%	1,628,571	15%	1,872,857	0.3%	2,011,921	22.4	-15%	-17%
Insurance	1,102,455	14.4	76,500	100%	76,500	-7%	71,145	N/A	1.14	5.75%	1,237,304	-5%	1,175,439	1.3%	1,256,593	16.4	14%	12%
Health Care	5,508	18.2	303.0	98%	297.8	-8.0%	274	10%	1.14	5.20%	5,269	13%	5,928	1.7%	6,283	21.1	14%	12%
Biotechnology	893,596	17.9	50,000	100%	50,000	-10%	45,000	13%	1.33	5.50%	818,182	20%	981,818	2.4%	1,036,880	20.7	16%	14%
Health Care Equipment & Supplies	1,243,674	26.2	47,500	100%	47,500	-5%	45,125	8%	1.14	5.00%	902,500	25%	1,128,125	0.9%	1,202,441	25.3	-3%	-5%
Health Care Providers & Services	1,140,661	14.3	80,000	100%	80,000	-7%	74,400	10%	1.06	5.20%	1,430,769	0%	1,430,769	1.5%	1,519,558	19.0	33%	31%
Life Sciences Tools & Services	523,955	23.8	22,000	100%	22,000	-5%	20,900	10%	1.18	5.20%	401,923	20%	482,308	0.3%	517,841	23.5	-1%	-3%
Pharmaceuticals	1,706,476	16.5	103,500	95%	98,325	-10%	88,493	11%	1.27	5.20%	1,701,779	10%	1,871,957	2.4%	1,970,467	20.0	15%	13%
INDUSTRIALS	4,182	22.0	190.5	103%	195.9	-5.0%	186	15%	0.88	5.25%	3,544	10%	3,899	1.4%	4,148	21.2	-1%	-3%
Aerospace & Defense	935,016	24.1	38,800	115%	44,620	-5%	42,389	17%	1.09	5.20%	815,173	15%	937,449	1.2%	997,980	22.4	7%	5%
Air Freight & Logistics	183,759	14.7	12,500	95%	11,875	-5%	11,281	15%	0.71	5.50%	205,114	0%	205,114	3.6%	214,126	18.0	17%	14%
Passenger Airlines	92,512	10.3	9,000	90%	8,100	-12%	7,128	71%	0.07	8.50%	83,859	0%	83,859	0.9%	92,345	11.4	0%	-2%
Building Products	260,864	22.7	11,500	95%	10,925	-5%	10,379	15%	1.07	5.20%	199,591	10%	219,550	1.2%	233,772	21.4	-10%	-13%
Commercial Services & Supplies	294,010	40.8	7,200	100%	7,200	0%	7,200	10%	0.86	4.80%	150,000	10%	165,000	0.8%	175,645	24.4	-40%	-42%
Construction & Engineering	40,686	25.4	1,600	110%	1,760	-5%	1,672	8%	1.18	5.25%	31,848	15%	36,625	0.1%	39,412	22.4	-3%	-5%

Source: IBES, DWS Investment GmbH as of 2/20/2025. 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.

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.

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DWS Investment GmbH View: S&P 500 fair value by sector and industry: Assuming a ~5.25% real cost of equity (CoE) for overall S&P 500 (2 of 2)

	Market Value (\$bn)	Current 2025 PE	2025E Earnings (\$bn)	Normal Ratio	Normal 2025E Earnings	Accounting Quality Adjustment	Fully Adjusted Earnings	Net Debt / Market Cap	FCF / EPS	Real CoE	Steady State Value	Growth Premium	2025 Start Fair Value (\$bn)	2025E Dividend Yield	2025 End Fair Value (\$bn)	Fair PE on Normal 2025 EPS	2025 End Upside %	2025 End Upside vs. S&P 500
Electrical Equipment	305,875	20.4	15,000	110%	16,500	-5%	15,675	6%	N/A	5.25%	298,571	20%	358,286	1.4%	381,204	23.1	25%	22%
Industrial Conglomerates	227,843	19.8	11,500	100%	11,500	-5%	10,925	13%	1.05	5.20%	210,096	5%	220,601	2.0%	233,189	20.3	2%	0%
Machinery	869,861	19.3	45,000	100%	45,000	-5%	42,750	19%	0.96	5.40%	791,667	5%	831,250	1.3%	885,850	19.7	2%	0%
Professional Services	337,398	27.2	12,400	100%	12,400	0%	12,400	6%	1.09	5.00%	248,000	15%	285,200	1.5%	302,344	24.4	-10%	-13%
Ground Transportation	493,549	25.3	19,500	100%	19,500	-10%	17,550	16%	0.65	5.00%	351,000	10%	386,100	1.2%	410,481	21.1	-17%	-19%
Trading Companies & Distributors	140,331	21.6	6,500	100%	6,500	-5%	6,175	11%	0.78	5.20%	118,750	10%	130,625	1.3%	139,026	21.4	-1%	-3%
INFORMATION TECHNOLOGY	16,282	29.1	560.0	103%	578.3	-2%	567	2%	0.95	5.10%	11,111	40%	15,556	0.6%	16,643	28.8	2%	0%
Communications Equipment	398,957	18.1	22,000	100%	22,000	-7%	20,460	-4%	1.07	5.20%	393,462	10%	432,808	1.9%	457,889	20.8	15%	13%
Technology Hardware Storage & Peripherals	4,164,486	31.1	134,000	100%	134,000	-1%	132,660	2%	1.03	5.00%	2,653,200	35%	3,581,820	0.4%	3,834,452	28.6	-8%	-10%
Electronic Equipment Instruments & Components	312,581	23.2	13,500	100%	13,500	-7%	12,555	9%	1.07	5.50%	228,273	15%	262,514	0.9%	281,168	20.8	-10%	-12%
IT Services	647,511	25.4	25,500	100%	25,500	-3%	24,735	8%	1.18	5.00%	494,700	20%	593,640	1.6%	628,602	24.7	-3%	-5%
Semiconductors & Semiconductor Equipment	5,857,224	28.9	203,000	105%	213,150	-5%	202,493	2%	0.92	5.50%	3,681,682	35%	4,970,270	0.5%	5,343,698	25.1	-9%	-11%
Software	4,901,230	30.3	162,000	105%	170,100	2%	173,502	1%	0.90	4.90%	3,540,857	50%	5,311,286	0.6%	5,671,224	33.3	16%	14%
MATERIALS	1,104	21.4	51.5	98%	50.5	-7%	47	16%	0.90	5.50%	853	10%	938	1.8%	997	19.8	-10%	-12%
Chemicals	697,275	22.1	31,500	100%	31,500	-5%	29,925	17%	0.81	5.35%	559,346	15%	643,248	1.8%	682,042	21.7	-2%	-4%
Construction Materials	65,824	26.3	2,500	95%	2,375	-10%	2,138	7%	0.82	5.75%	37,174	0%	37,174	0.7%	39,992	16.8	-39%	-41%
Containers & Packaging	186,192	22.4	8,300	100%	8,300	-10%	7,470	31%	1.12	5.50%	135,818	0%	135,818	1.9%	144,144	17.4	-23%	-25%
Metals & Mining	154,410	16.8	9,200	90%	8,280	-10%	7,452	7%	0.62	6.00%	124,200	0%	124,200	1.8%	132,490	16.0	-14%	-16%
REAL ESTATE	1,001	17.9	56.0	100%	56.1	-10%	50	35%	1.79	5.25%	961	5%	1,009	3.5%	1,052	18.8	5%	3%
Health Care REITs	116,351	19.4	6,000	100%	6,000	-7%	5,580	36%	7.80	4.75%	117,474	0%	117,474	3.5%	121,908	20.3	5%	3%
Hotel & Resort REITs	12,019	8.0	1,500	90%	1,350	-20%	1,080	25%	1.98	7.00%	15,429	-15%	13,114	4.6%	13,758	10.2	14%	12%
Industrial REITs	96,458	17.9	5,400	100%	5,400	-7%	5,022	28%	1.81	5.25%	95,657	5%	100,440	3.7%	104,544	19.4	8%	6%
Office REITs	10,038	11.2	900	90%	810	-20%	648	63%	4.27	6.50%	9,969	0%	9,969	5.6%	10,303	12.7	3%	0%
Residential REITs	136,170	18.2	7,500	95%	7,125	-10%	6,413	33%	1.81	4.75%	135,000	0%	135,000	3.6%	139,902	19.6	3%	1%
Retail REITs	124,270	13.1	9,500	95%	9,025	-15%	7,671	48%	2.03	6.00%	127,854	0%	127,854	5.5%	131,628	14.6	6%	4%
Specialized REITs	428,636	18.6	23,100	105%	24,255	-10%	21,830	36%	1.23	5.20%	419,798	10%	461,778	3.8%	479,765	19.8	12%	10%
Real Estate Management & Development	76,657	36.5	2,100	100%	2,100	-3%	2,037	0%	0.95	5.00%	40,740	25%	50,925	-	54,744	26.1	-29%	-31%
COMMUNICATION SERVICES	5,224	21.3	245.0	100%	244.8	-5%	233	11%	0.83	5.10%	4,560	20%	5,472	0.8%	5,842	23.9	12%	10%
Diversified Telecommunication Services	373,034	10.7	35,000	75%	26,250	-15%	22,313	94%	-0.28	4.75%	469,737	-25%	352,303	5.2%	359,457	13.7	-4%	-6%
Entertainment	759,132	32.3	23,500	120%	28,200	-8%	25,944	15%	1.59	5.25%	494,171	50%	741,257	0.3%	796,767	28.3	5%	3%
Interactive Media & Services	3,678,713	23.7	155,000	105%	162,750	-2%	159,495	-4%	0.69	5.15%	3,096,990	25%	3,871,238	0.4%	4,153,472	25.5	13%	11%
Media	273,815	10.5	26,000	85%	22,100	-10%	19,890	69%	0.99	5.50%	361,636	-15%	307,391	2.4%	324,644	14.7	19%	16%
Wireless Telecommunication Services	139,302	25.3	5,500	100%	5,500	-8%	5,060	39%	1.41	4.75%	106,526	10%	117,179	1.2%	124,308	22.6	-11%	-13%
UTILITIES	1,197	17.5	68.5	111%	76.1	-7.0%	71	79%	-0.81	5.25%	1,348	0%	1,348	3.0%	1,413	18.6	18%	16%
Electric Utilities	758,590	16.9	44,900	111%	49,839	-7%	46,350	80%	1.15	5.20%	891,351	7%	953,746	3.0%	998,179	20.0	32%	29%
Gas Utilities	19,937	18.1	1,100	100%	1,100	-5%	1,045	43%	-1.16	5.00%	20,900	0%	20,900	2.7%	21,905	19.9	10%	8%
Independent Power and Renewable Electricity	74,953	19.2	3,900	125%	4,875	-10%	4,388	80%	-4.16	7.00%	62,679	10%	68,946	1.1%	74,754	15.3	0%	-2%
Multi-Utilities	319,806	18.3	17,500	110%	19,250	-7%	17,903	79%	-1.06	5.20%	344,279	0%	344,279	3.4%	359,184	18.7	12%	10%
Water Utilities	23,401	22.3	1,050	100%	1,050	-3%	1,019	51%	-0.97	4.50%	22,633	0%	22,633	2.6%	23,637	22.5	1%	-1%

Source: IBES, DWS Investment GmbH as of 2/20/2025. 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.

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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 2025E S&P 500 EPS	\$275.00	DWS 2025E S&P 500 DPS	\$85.00	DWS 2025E S&P 500 aggregate ROE	25.0%	Fair long-term nominal return on S&P 500 index	7.75%
		2025E dividend payout ratio	31%	2024E end S&P 500 book value per share	\$1,100	Components of estimated fair S&P 500 return:	
DWS "normal 2025" S&P 500 EPS	\$280.00	DWS "normal 2025E" S&P 500 DPS	\$85.00	DWS "normal 2025E" S&P 500 aggregate ROE	24.1%	+ Long-term real risk free interest rate	2.00%
"Normal 2025E" EPS / 2025 EPS	102%	Normal dividend payout ratio	32%			+ Long-term fair S&P 500 equity risk premium*	3.25%
Accounting quality adjustment to pro forma EPS	-\$15.00	EPS directed to net share repurchases	\$75.00	S&P EPS retained for operating reinvestment	40%	= Long-term real S&P 500 cost of equity	5.25%
		Normal share repurchase payout ratio	28%	Estimated ROE on reinvested S&P EPS	9.00%	+ Long-term inflation forecast	2.50%
Normal 2025E S&P 500 EPS fair to capitalize	\$265	Total payout of S&P 500 EPS	\$160.00	Economic margin (EM) or ROE-CoE	1.25%	= S&P 500 nominal cost of equity	7.75%
Key principle: steady-state value = normal EPS / real CoE		Total payout ratio of normal and quality adj. EPS	60%	Sources of long-term earnings growth:		* S&P 500 ERP history 300-400bps, w/ real CoE @ 5% - 6%	
				+ Long-term inflation forecast	2.50%		
				+ Fair return on operating reinvestment	2.08%	Fair S&P 500 Market Value and Book Value Multiple	
S&P 500 EPS Capitalization Valuation		S&P 500 DPS Discount Model		+ Value added earnings growth on op. reinvestment	0.50%	2024E end S&P 500 book value per share	\$1,100
Normal EPS / (real CoE - (EM/payout) - EM):		Normal DPS / (nominal CoE - DPS growth):		= Long-term earnings growth	5.08%	Fair PB = Fair PE * normal aggregate ROE	5.44
S&P 500 intrinsic value at 2025 start	5982	S&P 500 intrinsic value at 2025 start	5982	+ Growth from net share repurchases	1.25%	Fair PE =(inc ROE-g)/(inc real ROE*(real CoE-real g))	21.75
S&P 500 intrinsic value at 2025 end	6361	S&P 500 intrinsic value at 2025 end	6361	= Long-term S&P 500 EPS/DPS growth	6.33%	Implied S&P 500 fair value of book at 2025 start	5982
Implied fair fwd PE in early 2025 on 2025E \$275 EPS	21.8	Implied fair forward yield on 2025E DPS of \$85.0	1.42%	+ Fair normal dividend yield	1.42%	Steady-state PB = normal agg. ROE / real CoE	4.59
Implied fair trailing PE at 2025 end on 2025E \$275 EPS	23.1	Implied fair trailing yield on 2025E DPS of \$85.0	1.34%	= Total long-term return at constant PE	7.75%	Confirmed by fair steady-state PE = 1 / real CoE	19.0
Normal EPS / (real CoE - value added EPS growth)	5926	DPS discount model using true DPS (all payout)	6361	Value added growth premium in fair value est.	18.5%	Normal 2025E economic profit per share	\$207.25

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

2025E S&P 500 Normalized EPS					
	\$270	\$275	\$280	\$285	\$290
4.75%	6739	6941	7147	7358	7573
5.00%	6353	6540	6731	6925	7123
5.25%	6010	6184	6361	6541	6724
5.50%	5703	5866	6031	6199	6369
5.75%	5427	5579	5734	5891	6051

DWS December 2025 equity index targets

Index	3M relative View	Current Level	Previous Target CIO Day Nov 24	Target Dec 25 ad hoc update	Chg in Target	Expected Total Return Dec 25	----- thereof -----							
							Assumptions							
							EPS growth NTM*	LTM multiple impact	Dividend Yield	EPS NTM* (e)	EPS NTM DWS vs. Cons.	Target LTM P/E in Dec 25	Target PE discount to US	
		05/02/2025												
S&P 500		5,995	6,500	6,500	0%	9.8%	USD	12.2%	-5%	1.3%	275	0.8%	23.5x	
Stoxx 600		535	525	550	5%	6.2%	EUR	6.0%	-3%	3.4%	37.9	-2.0%	14.5x	-39%
EuroStoxx 50		5,218	4,950	5,350	8%	5.8%	EUR	6.0%	-4%	3.2%	366	-0.4%	14.6x	-38%
DAX40		21,428	20,500	22,500	10%	5.0%	EUR	6.6%	-4%	2.7%	1450	-3.3%	15.1x	-36%
SMI		12,547	12,050	12,550	4%	3.2%	CHF	9.0%	-8%	3.2%	736	-1.9%	17.1x	-27%
FTSE 100		8,584	8,200	8,500	4%	2.8%	GBP	4.0%	-4%	3.8%		-3.7%	12.3x	-48%
MSCI EM		1,074	1,200	1,200	0%	14.7%	USD	11.0%	-2%	2.9%	87.7	-1.3%	13.6x	-42%
MSCI AC Asia xJ		694	770	770	0%	13.7%	USD	11.0%	-2%	2.7%	53.3	-1.4%	14.5x	-39%
MSCI Japan		1,670	1,770	1,770	0%	8.4%	YEN	7.0%	-2%	2.4%	115.6	-2.1%	15.3x	-35%
MSCI Australia		1,675	1,650	1,650	0%	2.0%	AUD	2.0%	-3%	3.5%	89.8	-2.6%	18.6x	-21%

Source: DWS Investment Management GmbH as of 2/20/2025. 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.

S&P 500 industry monitor (1 of 2)

Sector	Industry	PE on 2024 Consensus EPS	PE on 2025 Consensus EPS	2024 Consensus EPS Growth	2025 Consensus EPS Growth	2025 EPS 3m Revision	3m Total Return Momentum	2025 End Upside (Intrinsic Valuation)	Combined Signal
Consumer Discretionary		30.9	28.8	18.5%	7.2%	-8.3%	4.2%	-0.4%	1
	Automobile Components	9.3	8.5	23.1%	9.0%	-9.1%	12.0%	22.4%	1
	Automobiles	42.2	42.2	2.4%	-0.1%	-6.9%	-1.2%	-21.3%	0
	Household Durables	11.1	12.0	9.6%	-7.4%	-3.8%	-15.5%	28.0%	0
	Leisure Products	17.8	15.9	54.3%	12.1%	-12.6%	10.5%	-0.9%	1
	Textiles Apparel & Luxury Goods	25.3	26.2	-9.6%	-3.3%	-5.8%	4.9%	-23.5%	0
	Hotels Restaurants & Leisure	27.9	25.0	5.3%	11.7%	-11.5%	2.8%	-11.1%	0
	Distributors	16.8	16.4	-12.5%	2.5%	-4.9%	-0.2%	11.1%	0
	Broadline Retail	39.2	34.4	85.4%	14.0%	-10.0%	13.0%	12.3%	1
	Specialty Retail	25.0	23.7	0.2%	5.5%	-5.7%	-2.0%	3.7%	0
Consumer Staples		22.9	22.3	4.2%	3.0%	-5.5%	1.8%	-16.9%	0
	Consumer Staples Distribution & Retail	33.4	31.4	2.5%	6.3%	-6.3%	7.0%	-50.5%	0
	Food Products	14.4	15.6	-4.2%	-7.7%	-2.8%	-5.7%	21.5%	-1
	Beverages	20.3	19.7	7.0%	3.4%	-5.2%	-0.6%	17.9%	0
	Tobacco	17.3	16.3	6.5%	6.6%	-6.8%	11.1%	-18.1%	0
	Household Products	24.2	23.0	14.1%	5.3%	-6.0%	-4.7%	-2.5%	0
	Personal Care Products	22.5	22.6	-19.2%	-0.4%	-6.7%	-3.9%	15.5%	-1
Energy		15.4	15.2	-19.9%	1.5%	-4.9%	-4.2%	-8.9%	-1
	Energy Equipment & Services	13.3	13.2	14.4%	0.8%	-7.0%	-2.1%	27.0%	0
	Oil Gas & Consumable Fuels	15.7	15.4	-22.1%	1.6%	-4.7%	-4.4%	-12.7%	-1
Financials		18.7	17.5	15.9%	6.6%	-4.7%	1.8%	-4.6%	1
	Banks	13.6	13.0	5.9%	5.2%	0.0%	2.8%	3.7%	0
	Financial Services	27.0	25.2	15.1%	7.3%	-7.0%	4.5%	-14.9%	1
	Consumer Finance	15.7	15.4	29.4%	2.0%	2.3%	4.4%	-16.7%	1
	Capital Markets	21.6	19.3	26.7%	12.2%	-7.8%	-0.5%	-22.9%	0
	Insurance	15.5	15.0	24.2%	3.7%	-8.7%	-2.3%	14.0%	0
Health Care		21.3	17.9	5.7%	18.6%	-16.6%	2.5%	15.3%	0
	Health Care Providers & Services	15.1	14.0	0.6%	7.8%	-8.6%	-7.3%	33.2%	-1
	Health Care Equipment & Supplies	29.0	26.5	11.0%	9.2%	-8.4%	7.2%	-3.3%	0
	Life Sciences Tools & Services	25.4	24.2	0.7%	4.7%	-7.8%	-3.2%	-1.2%	0
	Biotechnology	23.1	17.2	-14.3%	33.9%	-25.6%	8.7%	16.0%	-1
	Pharmaceuticals	20.6	16.0	23.7%	29.3%	-23.6%	4.9%	15.5%	1
Industrials		26.3	23.4	3.1%	12.6%	-14.3%	-2.8%	-1.7%	0
	Aerospace & Defense	54.6	28.5	-26.4%	91.6%	-51.5%	1.3%	6.7%	-1
	Building Products	24.3	22.6	3.2%	7.5%	-7.2%	-7.7%	-10.4%	0
	Trading Companies & Distributors	23.5	22.5	4.6%	4.6%	-8.0%	-14.3%	-0.9%	0
	Electrical Equipment	33.3	28.3	18.5%	17.7%	-16.4%	-8.5%	24.6%	-1
	Construction & Engineering	32.5	27.5	20.9%	18.0%	-14.9%	-17.7%	-3.1%	-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 2/20/2025. 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.

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S&P 500 industry monitor (2 of 2)

Sector	Industry	PE on 2024 Consensus EPS	PE on 2025 Consensus EPS	2024 Consensus EPS Growth	2025 Consensus EPS Growth	2025 EPS 3m Revision	3m Total Return Momentum	2025 End Upside (Intrinsic Valuation)	Combined Signal
	Industrial Conglomerates	21.0	19.9	-5.3%	5.5%	-9.4%	0.1%	2.3%	0
	Machinery	20.0	20.7	0.1%	-3.2%	-2.0%	-3.3%	1.8%	-1
	Commercial Services & Supplies	37.3	34.5	13.9%	8.1%	-8.7%	-1.4%	-40.3%	0
	Professional Services	29.9	27.6	12.1%	8.2%	-9.3%	-0.9%	-10.4%	0
	Air Freight & Logistics	15.6	14.7	-3.3%	5.8%	-11.4%	-10.3%	16.5%	-1
	Passenger Airlines	12.4	9.1	-9.3%	36.2%	-20.8%	2.1%	-0.2%	-1
	Ground Transportation	20.4	23.9	50.2%	-14.5%	14.5%	1.8%	-16.8%	1
Information Technology		35.6	29.7	23.5%	19.7%	-17.0%	3.7%	3.5%	1
	IT Services	26.9	25.7	4.5%	4.8%	-4.4%	10.6%	-2.9%	1
	Software	36.0	31.9	23.5%	12.7%	-11.2%	-0.8%	15.7%	0
	Communications Equipment	22.4	21.3	0.7%	4.9%	-2.9%	4.6%	14.8%	1
	Technology Hardware Storage & Peripherals	33.4	30.0	15.4%	11.5%	-11.5%	6.8%	-7.9%	1
	Electronic Equipment Instruments & Components	25.9	23.2	7.3%	11.9%	-9.9%	1.2%	-10.0%	0
	Semiconductors & Semiconductor Equipment	40.9	29.6	42.1%	38.4%	-28.7%	5.3%	-8.8%	1
Materials		23.2	21.9	-7.1%	5.9%	-14.8%	-4.1%	-9.3%	-1
	Chemicals	24.3	23.0	-8.9%	5.6%	-14.5%	-2.8%	-2.2%	-1
	Construction Materials	21.9	28.4	41.3%	-22.9%	20.3%	-12.1%	-39.2%	1
	Metals & Mining	17.7	16.7	-11.5%	5.9%	-17.6%	-2.8%	-14.2%	-1
	Containers & Packaging	28.9	22.5	-7.4%	28.3%	-26.1%	-8.5%	-22.6%	-1
Real Estate		19.5	18.7	2.1%	4.0%	-4.7%	-2.4%	0.7%	0
	Industrial REITs	22.3	21.1	-3.2%	5.8%	-7.2%	5.2%	8.4%	0
	Hotel & Resort REITs	8.7	8.6	-0.2%	1.8%	-4.2%	-6.5%	14.5%	-1
	Office REITs	9.8	10.0	-2.2%	-2.4%	-0.6%	-12.5%	2.6%	-1
	Health Care REITs	22.1	20.7	8.9%	7.1%	-5.8%	4.2%	4.8%	0
	Residential REITs	18.4	18.0	2.5%	2.0%	-2.9%	-3.2%	2.7%	0
	Retail REITs	14.3	14.0	2.5%	2.3%	-2.1%	-0.6%	5.9%	0
	Specialized REITs	20.0	19.5	1.0%	2.9%	-4.2%	-6.6%	11.9%	0
	Real Estate Management & Development	41.5	33.5	8.8%	24.0%	-20.5%	1.7%	-28.6%	0
Communication Services		23.4	20.9	26.1%	12.0%	-11.3%	12.7%	14.8%	1
	Diversified Telecommunication Services	10.3	10.7	-4.3%	-3.4%	-1.2%	6.7%	-3.6%	1
	Wireless Telecommunication Services	27.5	24.9	39.4%	10.4%	-9.5%	11.8%	-10.8%	1
	Media	9.8	9.8	10.3%	-0.3%	-1.3%	-10.5%	18.6%	0
	Entertainment	74.9	31.9	-11.5%	135.0%	-56.5%	6.4%	5.0%	-1
	Interactive Media & Services	25.3	23.2	45.8%	9.2%	-8.6%	17.1%	12.9%	1
Utilities		19.4	18.2	15.5%	6.7%	-6.0%	-0.6%	17.8%	0
	Multi-Utilities	20.2	18.4	10.4%	9.6%	-8.8%	-0.9%	12.3%	0
	Water Utilities	24.3	22.5	8.2%	7.8%	-7.0%	-5.7%	1.0%	0
	Gas Utilities	21.4	20.2	13.0%	6.3%	-5.3%	-1.0%	9.9%	0
	Electric Utilities	19.0	18.1	16.7%	4.7%	-4.2%	-0.2%	31.6%	1
	Independent Power and Renewable Electricity Producers	19.2	16.3	33.0%	18.2%	-13.8%	-1.6%	-0.3%	0
S&P 500		25.2	22.6	11.8%	11.5%	-11.3%	3.2%	4.0%	0

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

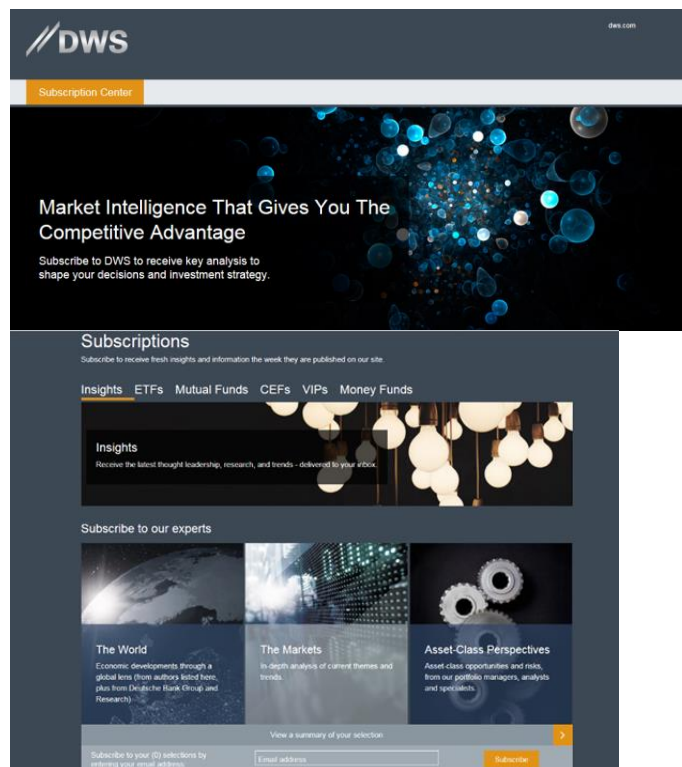
Red – at least 2 of the following 3 must be red: EPS growth, EPS revision, price momentum

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