

New S&P 500 target of 5300: A.I. lives and it needs food and shelter



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We raise our 12-month S&P 500 target to 5300 as it's parenting A.I.

At our recent CIO Day, we raised our S&P 500 target from 4700 for 2024 end to 5300 for March 2025. We boosted our fair S&P PE estimate from about 20 to 21.5 times our forecasts for trailing EPS. This higher PE is assigned because a recession is unlikely, despite Fed hikes, and the biggest S&P 500 companies are ramping up investment spending to raise their A.I. capabilities. Such investment helps the economy grow, directly benefits producers of A.I. equipment and infrastructure and could deliver accelerated EPS growth for the overall S&P 500 in the years to come. We maintain our 2024 & 2025 S&P EPS estimates of \$243 & \$260, an 8% growth trend; but we acknowledge the possibility of 10%. Analyst bottom-up consensus estimates for 2024 & 2025 S&P 500 are now \$245 and \$275. However, estimates continue to be trimmed outside of Tech, but rising at digital and especially semi-conductors.

A.I. lives: This child needs chips, servers, data centers, electric equip. and power
The promise of A.I. has gained traction with the biggest tech and digital service companies, sparking a capex race. These companies are spending on microchips, adding computer servers, expanding their data centers for their use and their cloud customers. Our S&P EPS estimates include very strong growth forecasts for semi-conductors, cloud providers, electrical equipment and even electric utilities. We also expect continued healthy earnings growth at the software and internet service companies and the divisions of such at the tech titans. While we expect benefits of A.I. to come to other industries, especially healthcare and financials, it remains uncertain when it will be significant and how significant.

It's because of this A.I. investment boom that we forecast 7-10% S&P EPS or above normal, despite an expected slowing of US GDP through 2025 and continued slow global GDP growth. Our S&P EPS forecasts by sector are inside. We note slow growth forecasts at Energy, Financials, conventional Media/Telecom, conventional Retailing and most Consumer Goods across Discretionary & Staples. We see strong demand at parts of Industrial Capital Goods and stability and cost control at Transports.

Beyond the A.I. child? 2024 Fed cuts still expected and an uncertain U.S. election
Many macro considerations remain for equities, especially for businesses that are not A.I. centric. We still expect the Fed to cut rates in 2024, but 3 years of inflation significantly exceeding the Fed's 2.0% target, a still very tight labor market despite some signs of slower job creation, US GDP likely up 2.5% in 1Q24, federal deficits still 6%+ of GDP and a stock market and household wealth at all-time highs, requires that expectations for future Fed Funds rates be approached with due uncertainty. The cuts could still be later and less than the market's recently moderated expectations. We expect 3 cuts by March 2025 and see the 1995-96 episode as a reasonable analogue with cuts in July '95, Dec '95 and Jan '96 with no further cuts until more evident signs of a recession or inflation below target. Presidential elections are always uncertain and this one will likely be too close to call until Election Day. We think the deficit needs to be addressed after the elections. A Biden win and mostly Democratic Congress would likely lead to higher taxes, including for companies. A Trump win and mostly Republican or populist Congress would likely lead to more tariffs. A split government that manages to find a balanced and credible path toward fiscal repair would be the best outcome. We wonder about the patience of bond investors if inflation or deficits remain above norms, 10yr Treasury yields could climb despite Fed hikes. We forecast a 4.5-4.75% Fed Funds rate and 4.2% 10yr Treasury yield at March end 2025.

Most valuation metrics have failed badly; EPS yield vs. real yields best of bunch
Valuation doesn't matter until it does, but it's always important to use robust valuation frameworks. Many once popular S&P valuation metrics or really heuristics have fallen on the ash heap of history. The recently fallen include S&P market cap to US GDP, Shiller's PE, 20 PE minus inflation, etc. The S&P's price-to-book multiple is now 4.7x, which can only begin to be understood by considering the S&P's 22% RoE. The best high-level valuation metric and guide remains S&P EPS yield less long-term TIPS yields. This valuation metric, aka the implied Equity Risk Premium, suggested attractive compensation for macro risk from 2010-2020. Since 2021, it implies below normal and still diminishing compensation. Yet this metric might also require looking deeper into its fair drivers. Owing to the S&P's compositional shift toward digital firms, we add a value-added growth premium on top of our fair steady-state S&P PE calculation. Our 21.5x fair trailing S&P PE target for March 2025 includes a 15% premium above our fair steady-state S&P PE estimate of 18.5x. This "digital growth premium" is the largest we have used yet and can be interpreted as expecting S&P EPS growth 2-4% above steady-state EPS growth of 6.5% (nominal cost of equity minus dividend yield) for the next several years. We would expect the S&P PE to fall back toward its steady-state level as superior EPS growth is delivered and likely exhausted at some point. This introduces an uncertain pricing dynamic into the market which could play out smoothly or abruptly. While we think a 10-20% growth premium is appropriate, it's risky.

We see low S&P reward/risk before elections, but favor Healthcare and Financials
Inside are our sector/industry earnings and valuation models and current sector/industry allocations.

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Global Equity Index Forecasts: 12-months			
Index	Mar 2025F	NTM EPS Growth	Target PE
S&P 500	5,300	8.2%	21.5
EuroStoxx 50	5,000	3.5%	13.5
Stoxx 600	515	4.7%	13.9
MSCI Japan	1,740	11.2%	15.8
MSCI Asia xJ	675	15.3%	14.0
MSCI EM	1,050	11.9%	13.0

S&P 500 Outlook at Yearend			
	2022	2023	2024F
S&P 500	3840	4770	5200
Dividend Yield	1.75%	1.50%	1.50%
S&P EPS	\$222	\$223	\$243
Trailing PE	17.3	21.5	21.5
DPS	\$67	\$70	\$76

Next 5%+ Price Move
(Up / Balanced Risk / **Down**)
Risk of 10%+ correction within 12-months
(Low / Moderate / **High**)

Taxable U.S. Investor Asset Allocations		
Asset Class	Long-term	Current
Fixed Income/Cash	30-35%	32%
Equities	55-60%	57%
US Equities	40%	36%
S&P 500	35%	34%
Small Caps	0-10%	3%
Foreign DM	10-15%	14%
Foreign EM	0-10%	6%
Alternatives	10%	11%

Key CIO Views		
Macro signal:	Dec 2023	Mar 2025F
U.S. Fed Funds rate	5.25%-5.50%	4.5%-4.75%
10yr Treasury yield	4.20%	4.20%
US IG Corp Spreads	140bp	85bp
US High Yield Spreads	420bp	400bp
Crude Oil (WTI) \$/bbl	69	84
EUR / USD FX rate	1.06	1.10

GDP Forecasts			
Region	2022	2023	2024F
US	2.1%	2.5%	1.8%
World	3.4%	3.1%	3.0%
Euro area	3.4%	0.5%	0.7%
China	3.0%	5.2%	4.8%
Japan	1.0%	1.9%	0.5%

* 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 3/18/2024 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.

DWS CIO day key views:

- **Macro:** Inflation rates are coming down, albeit gradually, and we expect them to decrease further during the course of 2024. The disinflation process is slowing down, and setbacks are likely along the way. We expect an average headline inflation rate of 2.8% y/y for the U.S. and 2.5% y/y for the Eurozone in 2024. Regarding growth, we keep our expectation for the Eurozone virtually unchanged as monetary policy is working and inflation rates have come down. For the U.S., we have to adjust our growth path due to a robust carry-over from 2023 but hold on to a soft patch in the middle of 2024. We think that the U.S. economy will grow by 1.8% in 2024 and the Eurozone by 0.7%. Central banks are expected to start a gradual normalization process of policy rates by the mid-year. We see the Fed funds rate to be cut to 4.50% – 4.75% by March 2025, and the ECB deposit rate to 3%. The Bank of Japan will probably hike the policy rate to +0.25% over the forecasting horizon.
- **The outcome of the U.S. election** is expected to play a big role for financial markets and will determine where many asset classes will trade in one year's time. Currently, it seems too early to make a high conviction forecast. While we expect volatility to pick up in line with historical experience in the run up to the elections, several market projections might be subject to revisions once a clearer picture emerges regarding the likely outcome.
- **ESG:** We cut our forecast for CO2 certificated from 95 EUR for December 2024 to 80 EUR for March 2025 due to weakening gas prices, although the Market Stability Reserve announcement in May will likely trigger prices to start increasing. Furthermore, we were introduced to the European Transformation Scorecard that tracks each country's transformation progress. According to the heatmap, Sweden, Netherlands and Switzerland are most likely to meet their transformation targets while Poland, Italy and Spain are the least likely to meet their targets.
- **Fixed Income:** We expect 2024 to be a good year for Fixed Income as central banks are expected to cut policy rates. They see the best risk-adjusted returns at the shorter to middle part of the maturity spectrum (Bund & U.S. Treasury) Furthermore, falling inflation and moderating growth are supportive for a steepening stemming from the front-end of the curve. We expect Bund yields to hit 2.5% and 2.6% in March 2025 for 2- and 10-years respectively. For the U.S. we expect 3.95% and 4.20% for 2- and 10-years respectively. We remain positive on EUR IG as we expect further spread tightening to add to already high YTM yields. Regarding currencies, we think that the Dollar should remain supported by a soft-landing scenario and capital inflows. Therefore, we see EURUSD at 1.10 in March 2025.
- **Equities:** We see upside potential of up to 8% on a 12-month horizon as we stick to our expectation of an acceleration in EPS growth in 2024, to 4-11% in the U.S., Europe and Japan and up to 10% in Emerging Markets. At the same time, equities are no more facing substantial headwinds from high interest rates. We forecast 5,300 points for the S&P 500 by March 2025 and 18,700 for the DAX with record dividends supported by high margins. We are especially constructive on the Communications sector with AI exposure and see the Stoxx discount to the S&P 500 still too high. As mentioned before, these forecasts might be subject to revisions depending on the evolution of U.S. election outcome probabilities.
- **Alternatives:** For Gold we have increased our target to \$2,400 per ounce for the end of March 2025 as the price will be supported ongoing demand from central banks as well as Asian buyers, as well as by a more accommodative monetary policy. For Brent we lowered our target to \$84 per barrel for March 2025 as we believe demand growth is matched by supply growth with OPEC trying to steer the markets. Geopolitics remain a major risk. We have seen momentum towards the end of 2023 in the infrastructure market and expect transactions and fundraising to recover in 2024 as investors have more confidence and liquidity. Real estate prices are expected to stabilize over the course of the year. Despite some moderation in demand, fundamentals remain solid, with low vacancy rates and healthy rent growth across most sectors and regions. We are constructive on the tight logistics markets as e-commerce fuels demand for distribution capacity around the world. Furthermore, we like residential real estate due to housing shortages in most major markets and higher interest rates shifting demand to rentals.

Raising the index targets (S&P 5300 / DAX 18700 by Mar 2025) – less recession risk and higher share of structurally growing companies in equity market composition justifies a lower equity risk premium (ERP)

In our 2024 market outlook, we had argued that equity investors will not be scared by a temporary economic weakness and instead focus “on the light at the end of the tunnel” as disinflation will allow the Fed to cut from June onwards. In combination with a renewed acceleration of earnings growth in 2024 we had forecasted what we believed was a constructive equity market scenario with high single-digit equity returns across regions for the calendar year 2024.

Three months later, it turns out, that our thesis was correct, however, that our predicted index targets were significantly too conservative. Furthermore, the US economy is no longer at risk of running into recession according to our house view and AI innovation continues at reckless speed.

We are therefore lifting our index targets and are predicting approximately 5% total return for most markets until March 2025 (S&P 5300 / DAX 18700), mainly driven by a higher assumed PE-multiple. Our next 12-months EPS estimates are unchanged since last CIO day, though. Profits should grow most in EM (12%, Asian semis key driver – TSMC producing 24/7 Nvidia chips) and Japan (11%, FX tailwind). S&P500 earnings (+8%) are benefiting from high-teens EPS growth at the “magnificent seven” but are expected to progress 5% for the S&P 493 - the same speed as European earnings. There are only few industries with cyclical depressed earnings. Instead, most cyclical sectors like industrials, discretionary consumptions continue to report record high profit-margins, warranting no upgrade in earnings expectations in our view.

So, if earnings are growing, but not faster than previously thought, higher PE-multiples have to do the heavy lifting for higher index targets. Looking at valuation, equity markets are unlikely to receive a tailwind from lower long-term interest rates as our bond expects predict US 10y yields to remain flat at around 4.2% over the coming 12 months. To justify a 21.5x trailing target PE multiple for the S&P 500 we therefore argue that equity investors will require a significantly lower equity risk premium that previously forecasted. The observed 2% ERP is half-way between its 4% long-term historical average and the low-point seen in 2000 at 0%. Due to the significantly lower recession risk and the structurally higher share secular growth companies (IT, digital-platform companies in other sectors) in the S&P we believe the 2% are sustainable. In the long run, we expect the ERP to trend higher again.

We are still arguing that ex-US markets are trading at a too high discount relative to the US yardstick. However, as we are we struggle to identify a catalyst for meaningful discount shrinkage. Therefore, higher investor confidence in the sustainability of ex-US EPS growth will remain key. We continue to recommend European equities as our preferred “value” market and reiterate the continued attractiveness of European banks (outperform vs. global financial sector) due to valuation and high cash returns to shareholders.

We de-emphasize our European Small and Mid-caps call (downgrade to outperform from strong outperform), less so for fundamental reasons but more as a realization that equity investors prefer highly liquid mega large caps, a phenomenon seen in US, Europe and Japan. It is best depicted by looking at the stunning outperformance of the MSCI World Momentum index, which replicates an investment strategy that systematically puts money into stocks that have outperformed the past 12 and 6 months. We notice that the global momentum trade into mega-large caps has not only led to a dangerous concentration within active and passive portfolios but has also led to an extremely high correlation within equity portfolios. In reverse, this means that equity funds have become less diversified!

Related, we continue to believe that stock picking within the “magnificent seven” is required and trust our DWS equity analysts on their guidance.

Turning to Asia, our outperform recommendation for the MSCI Japan has worked well. However, we are tactically shifting towards neutral ahead of the BOJ’s move away from negative interest rates. EM remains neutral; however, we are encouraged by the double-digit EPS growth there.

Sector-wise, our preferences remain unchanged. Global consumer discretionary and communication services screen most attractive to us due to relative valuation and low unemployment rates.

2024 will bring multiple elections, with the US presidential being the focus of financial markets. Uncertainty is still too high to call the outcome. As the election debate progresses, we see potential changes to the US corporate tax rate, global trade tariffs, minor changes to the US health insurance system as areas that require monitoring.

DWS March 2025 equity index targets

Index	3M relative View	Current Level	Previous Target CIO Day Nov	Target Mar 25	Chg in Target	Expected Total Return Mar 25	thereof		Assumptions							
							EPS growth NTM*	LTM multiple impact	Dividend Yield	EPS NTM* (e)	DWS vs. Cons.	Target LTM P/E in Mar 25	Target PE discount to US	Payout ratio	chg of LTM target PE	
		14/03/2024														
S&P 500		5,153	4,700	5,300	13%	4.3%	USD	8.2%	-5%	1.5%	247	-2.3%	21.5x		31%	2.1x
Stoxx 600		506	465	515	11%	5.0%	EUR	4.7%	-3%	3.3%	37.0	-1.5%	13.9x	-35%	45%	1.1x
EuroStoxx 50		4,993	4,350	5,000	15%	3.3%	EUR	3.5%	-3%	3.2%	370	-1.0%	13.5x	-37%	43%	1.6x
DAX40		17,942	16,600	18,700	13%	4.2%	EUR	4.1%	-3%	3.2%	1458	-1.1%	12.4x	-42%	40%	1.2x
SMI		11,721	10,950	11,450	5%	0.7%	CHF	9.1%	-11%	3.0%	673	-1.2%	17.0x	-21%	52%	0.8x
FTSE 100		7,743	7,400	7,600	3%	2.1%	GBP	-0.6%	-1%	3.9%		-1.4%	11.2x	-48%	45%	0.8x
MSCI EM		1,047	1,010	1,050	4%	3.2%	USD	11.9%	-10%	2.9%	80.7	-6.5%	13.0x	-40%	37%	-0.4x
MSCI AC Asia xJ		661	640	675	5%	4.8%	USD	15.3%	-11%	2.6%	48.3	-5.3%	14.0x	-35%	36%	-0.7x
MSCI Japan		1,643	1,520	1,740	14%	8.2%	YEN	11.2%	-5%	2.3%	109.9	2.5%	15.8x	-27%	34%	0.5x
MSCI Australia		1,547	1,400	1,500	7%	0.9%	AUD	-0.3%	-3%	3.9%	93.0	-0.9%	16.1x	-25%	66%	1.7x

Source: Factset, DWS Investment GmbH as of 3/15/2024. Past performance may not be indicative of future results. Forecasts are not a reliable indicator of future returns.



DWS Strategic CIO View: Overview of strategic forecasts – Fixed Income, FX, Equity & Commodities

Overview of Strategic 12-Month Forecasts

Fixed Income		Strategic Forecast	Current level	12m forwards	Strategic Forecast	Forecast change	Expected 12m Total Return	10yr Total Return (p.a.) ⁴
		Nov-23			Mar-24			
Market Index	Target Dec-24	13-Mar-24	13-Mar-24	Target Mar-25				
Forecasts - US								
UST 2yr	US 2y yield	3.95%	4.61%	4.05%	3.95%	→	4.97%	3.68%
UST 10yr	US 10y yield	4.20%	4.16%	4.09%	4.20%	→	4.50%	4.34%
UST 30yr	US 30y yield	4.45%	4.32%	4.25%	4.45%	→	2.33%	4.45%
Municipals	Muni HY Index OAS	2.50%	1.86%		2.25%	↔	-0.33%	3.22%
US IG Corp	BarCap US Credit	105 bp	88 bp		85 bp	↘	4.95%	4.74%
US HY ¹	Barclays US HY	450 bp	308 bp		400 bp	↘	4.30%	5.70%
Securitized / MBS	MBS Index OAS	120 bp	160 bp		120 bp	→	5.00%	4.14%
Forecasts - Europe								
Schatz 2yr	GER 2y yield	2.50%	2.83%	2.16%	2.50%	→	2.68%	2.05%
Bund 10yr	GER 10y yield	2.70%	2.31%	2.23%	2.60%	↘	0.90%	1.78%
Bund 30yr	GER 30y yield	3.00%	2.46%	2.41%	2.80%	↘	-4.05%	2.62%
Gilt 10yr	UK 10y yield	4.20%	3.96%	3.91%	4.20%	→	3.08%	4.02%
EUR IG Corp	ICE BofA Bond Index	110 bp	117 bp		95 bp	↘	4.76%	3.29%
EUR HY ¹	MLEUR Non-Fin HY Constr. Index	450 bp	350 bp		400 bp	↘	3.81%	5.53%
Securitized / Covered	iBoxx Covered	70 bp	72 bp		55 bp	↘	4.15%	2.75%
Italy 10yr ²	GTITL 10Y Corp - GTDEM 10Y Corp	220 bp	127 bp	143 bp	180 bp	↘	-1.61%	n/a
Forecasts - AsiaPac								
JGB 2yr	JPN 2y yield	0.35%	0.20%	0.28%	0.25%	↘	0.31%	0.31%
JGB 10yr	JPN 10y yield	1.15%	0.77%	0.94%	0.90%	↘	0.63%	0.14%
Asia Credit	JACI Index	280 bp	237 bp		210 bp	↘	9.38%	-
Forecasts - Global								
EUR vs USD	EUR/USD	110	109		110	→	-0.90%	-
USD vs JPY	USD/JPY	146	148		145	↘	2.87%	-
EUR vs JPY	EUR/JPY	161	162		160	↘	2.27%	-
EUR vs GBP	EUR/GBP	0.87	0.85		0.86	↘	-0.90%	-
GBP vs USD	GBP/USD	1.27	1.28		1.28	↔	0.07%	-
USD vs CNY	USD/CNY	7.35	7.2		7.35	→	4.75%	-
EM Sovereign ¹	EM BIG Div.	440 bp	362 bp		390 bp	↘	4.67%	7.30%

Benchmark Rates

Benchmark Rates		Strategic Forecast	Current Level	Strategic Forecast	Forecast change	Expected 12m Total Return	10yr Total Return (p.a.) ⁴
		Nov-23		Mar-24			
Market Index	Target Dec-24	13-Mar-24	Target Mar-25				
Forecasts - Benchmark rates							
United States	Federal funds rate	4.50-4.75	5.25-5.50	4.50-4.75	→		
Eurozone	Deposit rate	3.25	4.00	3.00	↘		
United Kingdom	Repo rate	4.75	5.25	4.25	↘		
Japan	Policy Rate	0.25	-0.10	0.25	→		
China	1year lending rate	3.15	3.45	3.30	↔		

Equities

Equities		Strategic Forecast	Current Level	Strategic Forecast	Forecast change	Expected 12m Total Return	10yr Total Return (p.a.) ⁴
		Nov-23		Mar-24			
Market Index	Target Dec-24	13-Mar-24	Target Mar-25				
Forecasts - Equity							
US	S&P 500	4,700	5,175	5,300	↔	3.91%	6.40%
Germany	DAX	16,800	17,962	18,700	↔	4.11%	5.95%
Eurozone	Eurostoxx 50	4,400	5,000	5,000	↔	3.31%	5.61%
Europe	Stoxx 600	465	507	515	↔	4.92%	6.28%
Japan	MSCI Japan	1,520	1,641	1,740	↔	8.24%	4.42%
SMI	SMI	10,700	11,777	11,450	↔	0.32%	6.81%
UK	FTSE 100	7,400	7,761	7,600	↔	1.92%	7.99%
Emerging Markets	MSCI EM	1,010	1,049	1,050	↔	2.99%	8.02%
Asia ex Japan	MSCI AC Asia ex Japan	640	663	675	↔	4.47%	8.32%
Australia	MSCI Australia	1,400	1,547	1,500	↔	0.86%	8.36%

Alternatives

Alternatives		Strategic Forecast	Current Level	Strategic Forecast	Forecast change	Expected 12m Total Return	10yr Total Return (p.a.) ⁴
		Nov-23		Mar-24			
Forecasts - Commodities							
Gold - Spot	Gold Spot	2,250	2,159	2,400	↔	-	1.77%
Gold - Futures	Gold 12m Futures	-	2,278	-		5.34%	n/a
Oil - Spot ²	Brent Spot	88	83	84	↘	-	7.88%
Oil - Futures ²	Brent 12m Futures	-	78	-		8.29%	
Carbon	Carbon 12m Futures	95	55	80	↘	45.35%	
Real Estate & Infrastructure							
Listed US RE (LC)						5.00%	5.35%
Non-Listed US RE (LC)						4.00%	3.68%
Listed Global RE (LC)						4.50%	4.93%
Non-Listed European RE (LC)						7.00%	4.55%
Non-Listed APAC RE (LC)						5.50%	6.35%
Non-Listed Global RE (LC)						5.50%	4.59%
Listed Infrastructure (LC)						5.00%	7.54%
Non-Listed Infrastructure (LC)						10.70%	12.39%

¹US HY default rate: 2.75%, 40% recovery, CCC average price of 80 used (instead of par); EUR HY default rate: 2.75%, 40% recovery; EM Sov default rate 2%, 50% recovery; // ²Oil-Futures used to calculate expected TR; forecasts are made on Brent-Spot // ³Total return. Excess return for Italy 10yr is -1.30% // ⁴LTCMA forecasts for Gold and Oil based on futures

Source: Factset, DWS Investment GmbH as of 3/15/2024. Past performance may not be indicative of future results. Forecasts are not a reliable indicator of future returns.

DWS Global Macro Forecasts

GDP Growth Rate

% year-on-year

	2023	2024F	2025F	Consensus 2024 (BBG)
World	3.1 (3.0)	3.0 (2.8)	3.1	2.7
U.S.	2.5	1.8 (0.8)	1.6	2.0
EUZ	0.5	0.7 (0.7)	1.1	0.5
GER	-0.1	0.4 (0.9)	1.2	0.2
UK	0.1	0.4 (0.6)	1.3	0.4
Japan	1.9	0.5 (1.0)	1.1	0.7
China	5.2	4.8 (4.7)	4.4	4.6

Inflation (CPI)

% year-on-year average

	2023	2024F	2025F	Consensus 2024 (BBG)
World				4.1
U.S.	4.1	2.8	2.3	2.7
EUZ	5.5 (5.7)	2.5 (2.9)	2.3	2.3
GER	6.1 (6.0)	2.6 (3.2)	2.5	2.5
UK	7.3	2.5 (2.8)	2.4	2.6
Japan	3.2 (2.9)	2.3 (2.3)	1.7	2.2
China	0.2 (0.5)	0.8 (1.8)	1.7	1.0

Unemployment Rate (Annual average)

%

	2023	2024F	2025F	Consensus 2024 (BBG)
U.S.	3.6	4.0	4.1	4.1
EUZ	6.6	6.7 (6.5)	6.5	6.7
GER	5.7	5.9 (5.7)	5.7	5.9
UK	4.0	4.4 (4.5)	4.6	4.5
Japan	2.6	2.4 (2.4)	2.4	2.5
China***	5.1 (5.0)	5.0	5.0	5.1

Fiscal Balance

% of GDP

	2023	2024F	2025F	Consensus 2024 (BBG)
U.S.	-6.5	-6.2	-6.2	-6.0
EUZ	-3.2	-2.8 (-3.0)	-2.7	-3.0
GER	-1.9	-0.9 (-1.2)	-0.7	-1.6
UK	-5.3	-4.0 (-4.5)	-3.5	-2.4
Japan	-5.2	-4.5 (-4.5)	-3.0	-4.1
China****	-13.6	-13.3	-13.0	-5.0

Source: DWS Macro Research. (*) For the U.S., GDP growth Q4/Q4 % is 0.5% in 2024 and 2.0% in 2025, (**) Measure is CPI, other measures see US part of the presentation, (***) Urban unemployment rate (end of period), not comparable to consensus data, (****) China fiscal deficit refers to augmented fiscal balance (widest definition) and refers to IMF. It's not comparable with the consensus. as of March 2024.

S&P 500 Sector and Industry views

	Market	Allocated	Sector	2022	2023	2024	Overweight	2022	2023	2024	Equal weight	2022	2023	2024	Underweight	2022	2023	2024				
Over-weight	12.5%	16.5%	Health Care	17.6	22.0	19.1	Biotechnology Health Care Equipment & Supplies Pharmaceuticals	13.6 27.3 15.0	18.7 27.4 25.1	17.5 25.5 17.9	Health Care Providers & Services	17.1	15.9	15.1	Life Sciences Tools & Services	25.6	29.9	29.2				
	3.9%	5.2%	Energy	8.8	11.9	12.6	Energy Equipment & Services Oil Gas & Consumable Fuels	23.7 8.3	16.0 11.8	14.1 12.5												
	8.9%	10.1%	Communication Services	27.3	21.9	18.8	Diversified Telecommunication Services Entertainment Interactive Media & Services	7.2 70.2 38.0	7.7 38.9 27.1	8.4 27.7 21.8	Wireless Telecommunication Services	78.5	23.1	18.3	Media	11.5	11.2	10.9				
	13.1%	14.3%	Financials	18.7	16.9	16.2	Banks Insurance	12.5 20.6	10.8 17.0	11.6 14.2	Financial Services	29.4	25.5	23.8	Capital Markets Consumer Finance	19.8 11.8	20.5 13.4	18.6 13.0				
	2.2%	3.2%	Utilities	18.1	17.0	15.8	Electric Utilities	18.9	17.0	15.7	Gas Utilities Independent Power & Renewable Energy Multi-Utilities Water Utilities	20.1 9.0 16.5 26.4	18.1 8.6 17.2	17.2 8.0 16.1 22.4								
	6.0%	6.6%	Consumer Staples	20.4	20.6	20.0	Beverages Consumer Staples Distribution & Retail Household Products Personal Care Products	24.7 21.3 28.2 19.6	22.1 25.1 26.0 25.0	21.1 24.1 24.8 25.0	Food Products	14.5	15.2	15.2	Tobacco	12.5	12.3	12.2				
	Equal-weight	8.8%	8.8%	Industrials	25.5	22.5	20.9	Aerospace & Defense Electrical Equipment Industrial Conglomerates Passenger Airlines	35.4 29.4 26.1 16.3	27.6 27.7 26.1 6.8	22.7 24.4 22.3 6.8	Construction & Engineering Machinery	38.3 23.1	35.0 18.2	29.2 18.3	Air Freight & Logistics Building Products Commercial Services & Supplies Ground Transportation Professional Services Trading Companies & Distributors	12.7 26.1 43.1 21.2 29.9 28.8	17.5 23.5 38.9 23.0 28.1 23.8	16.8 21.9 35.9 21.9 25.7 22.6			
	2.4%	2.4%	Materials	16.2	20.9	21.6					Chemicals Metals & Mining	17.9 10.0	22.4 15.2	22.4 18.4	Construction Materials Containers & Packaging	50.7 14.2	34.5 18.6	30.2 18.3				
Under-weight	2.3%	1.9%	Real Estate	18.1	18.2	17.9	Specialized REITs	18.8	19.4	18.5	Hotel & Resort REITs Office REITs Retail REITs	11.5 11.7 12.9	10.9 11.9 13.0	10.5 12.4 13.1	Health Care REITs Industrial REITs Residential REITs Real Estate Mgmt. & Development	18.9 25.0 17.5 29.0	18.4 22.8 16.4 40.1	17.1 23.9 16.2 40.1				
	10.2%	6.2%	Consumer Discretionary	39.5	27.5	25.9	Automobile Components	14	13.3	10.9	Distributors Hotels Restaurants & Leisure Leisure Products	17.4 64 12.0	17.9 24.3 18.6	17.3 22.8 13.9	Automobiles Household Durables Broadline Retail Multiline Retail Specialty Retail Textiles Apparel & Luxury Goods	18.8 11.1 -1985 22.9 23.4	20.2 11.9 55.8 23.1 24.2	22.3 12.8 43.0 22.4 22.1				
			Automobiles	18.8	20.2	22.3																
			Broadline Retail	-1985	55.8	43.0																
	29.8%	24.8%	Information Technology	36.3	34.0	29.0	Communications Equipment IT Services	18.6 25.5	16.8 24.1	16.2 23.1	Software Technology Hardware Storage & Peripherals	44.1 26.8	38.0 27.1	33.3 24.9	Electronic Equipment Semiconductors	22.6 45.1	24.0 42.7	22.7 31.3				
Aggregate PE: DWS View											Overweight	17.7	18.4	17.1	Equalweight	28.9	25.5	23.7	Underweight	28.0	27.2	24.3
	S&P 500							5117				2022, 2023 & 2024 EPS	219.41	223.00	243.00	2022, 2023 & 2024 PE	23.3	22.9	21.1			
												Bottom-up Consensus EPS	219.41	223.33	245.46	Bottom-up Cons. PE	23.3	22.9	20.8			
																2022, 2023 & 2024 Ex Energy PE	23.8	23.8	21.6			
																Btm-up Cons. Ex Energy PE	25.0	23.8	21.3			

Sector OW	9.49%
Sector UW	-9.49%
Industry OW	19.52%
Industry UW	-19.52%

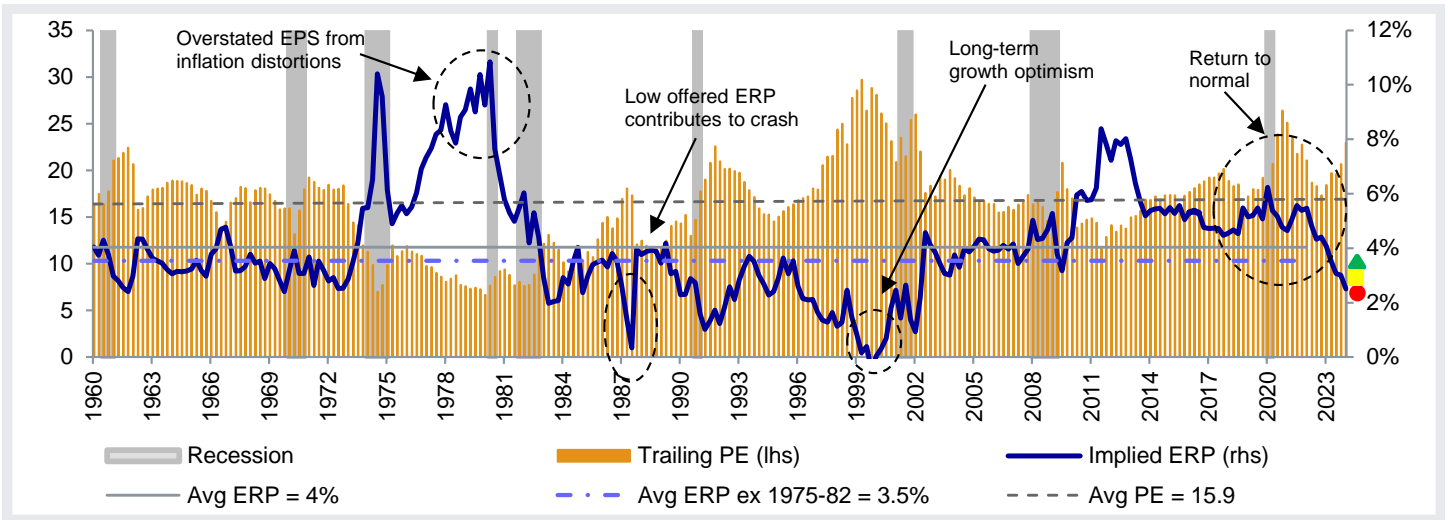
Macro tilts:	
Cyclicals	-5.29%
Defensive	5.27%
Value (Financial+Energy)	2.45%
Growth	-0.24%
Growth ex Health Care	-4.23%
Consumer	-3.27%
Services/experience	0.05%
Disc. Goods	-3.96%
Retailing	-2.52%
Durables	-1.44%
Staples Goods/Retail	0.64%
Commodity	1.55%
Energy	1.39%
Metals/Chemicals	0.16%
Capex	7.11%
Capacity additions	3.57%
Productivity	3.54%
Health Care	3.99%
Innovation	3.56%
Marketers	1.96%
Insurers	-0.08%
Financials	1.06%
Up rates/low spreads	0.67%
Capital Markets	-1.27%
Insurance	1.66%
Bond Substitutes	0.78%
Weak FX \$ plays	0.46%
High R&D plays	2.01%
Transports	-0.97%
Geopolitical risk	2.09%
Weak oil prices	0.40%
Inflation shock	0.35%
Stagflation Protection	4.43%
Domestic GDP	-2.98%
Global GDP	-5.65%
Consumer TMT	-0.02%
Trade sensitive	-2.45%

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

Price as of 3/15/2024

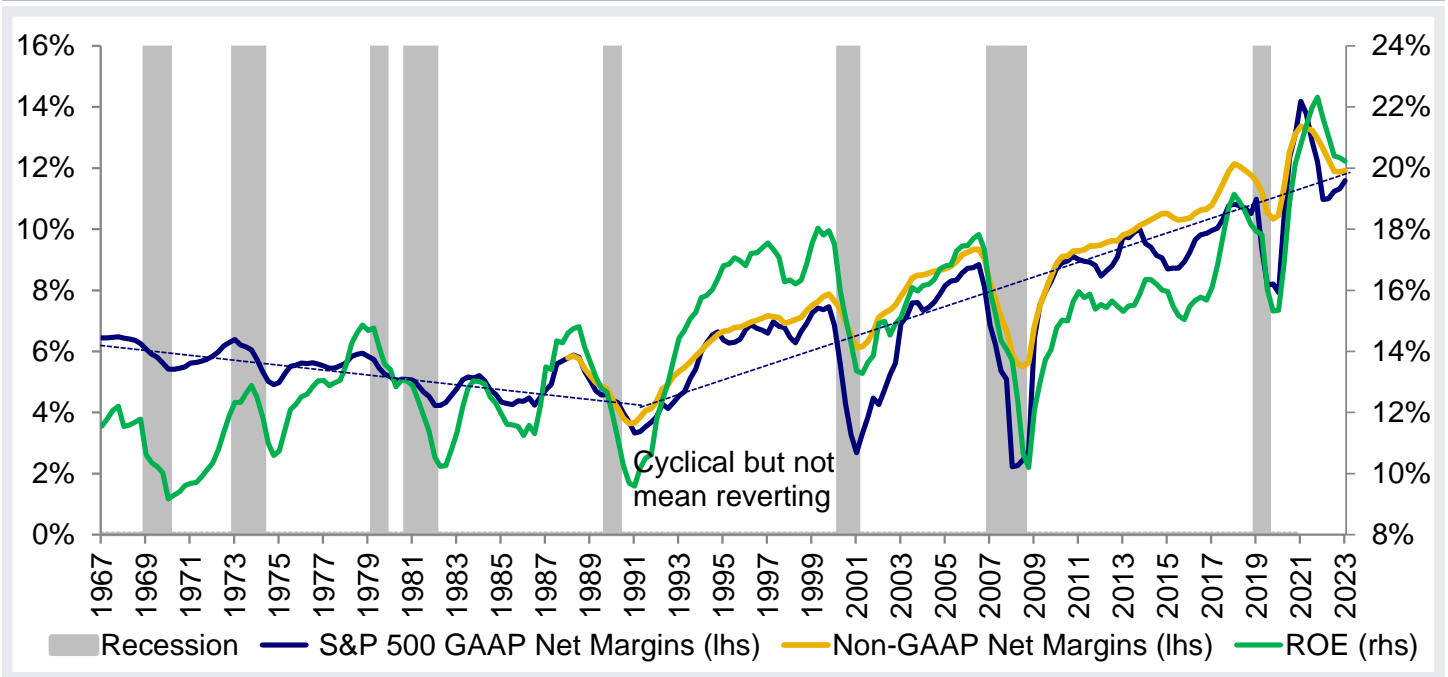
Source: DWS Investment Management GmbH

S&P 500 PE and implied Equity Risk Premium (ERP)



Red circle: ERP=2.7% implied by PE on our 2024 EPS estimate of \$243 and 2% assumed real 10 year interest rate
 Yellow square: ERP=3.0% implied by PE on our 2024 EPS estimate of \$243 and 1.75% assumed real 10 year interest rate
 Green triangle: ERP=3.2% implied by PE on our 2024 EPS estimate of \$243 and 1.5% assumed real 10 year interest rate
 Source: Haver, Factset, DWS Investment GmbH as of 3/15/2024. Past performance may not be indicative of future results.

S&P 500 net margin and ROE



Source: Haver, DWS Investment GmbH as of 3/15/2024. Past performance may not be indicative of future results.



DWS Investment GmbH S&P 500 Annual EPS Outlook

	2014A	2015A	2016A	2017A	2018A	2019A	2020A	2021A	2022A	y/y	Bottom-up Consensus (IBES)				DWS View				Normalized 2024		
											2023E	y/y	2024E	y/y	2023E	y/y	2024E	y/y	(\$)	% of 2023	
S&P 500 EPS (historical index)	\$118.82	\$117.46	\$118.10	\$132.00	\$161.93	\$162.93	\$139.72	\$208.12	\$218.09	4.8%											
S&P 500 EPS (current constituents)	\$116.70	\$117.17	\$117.41	\$129.32	\$155.41	\$161.17	\$143.29	\$208.02	\$219.41	4.4%	\$223	1.8%	\$245	9.9%	\$223	1.6%	\$243	9.0%	\$243	100%	
Sector (\$ bn)																					
Communication Services	67.4	77.8	90.6	98.8	123.4	129.8	135.0	187.4	146.9	-21.6%	182.8	24.5%	213.1	16.5%	182.9	24.5%	213.0	16.5%	211.4	99%	
Consumer Discretionary	58.4	68.7	76.6	80.6	95.6	93.6	64.6	124.2	111.5	-10.2%	160.1	43.6%	177.2	10.7%	159.8	43.4%	170.0	6.4%	173.8	102%	
Consumer Staples	83.9	82.7	85.4	89.7	96.8	97.9	105.2	117.8	119.5	1.5%	117.3	-1.9%	122.6	4.5%	118.0	-1.3%	121.5	3.0%	119.2	98%	
Energy	94.3	39.4	10.5	37.1	69.8	49.4	-6.1	79.2	200.5	153.3%	149.0	-25.7%	137.0	-8.1%	148.8	-25.8%	140.0	-5.9%	141.0	101%	
Financials	184.1	199.6	203.7	213.2	262.7	276.6	225.5	363.2	308.5	-15.1%	342.2	10.9%	364.8	6.6%	342.0	10.9%	356.0	4.1%	345.6	97%	
Health Care	136.7	151.7	156.5	170.8	187.5	205.5	225.7	293.4	307.9	5.0%	246.8	-19.8%	283.9	15.0%	247.5	-19.6%	285.0	15.2%	281.7	99%	
Industrials	100.5	103.9	98.3	107.2	130.5	125.1	66.9	112.0	141.1	26.0%	160.3	13.6%	174.1	8.6%	159.5	13.1%	172.0	7.8%	173.6	101%	
Information Technology	162.6	168.2	176.5	208.0	239.7	233.4	264.7	345.8	354.8	2.6%	378.8	6.8%	445.7	17.7%	378.7	6.8%	445.0	17.5%	459.0	103%	
Materials	24.8	23.8	22.9	28.9	36.4	34.3	32.5	61.4	64.0	4.2%	49.6	-22.5%	48.4	-2.6%	49.6	-22.6%	48.0	-3.2%	46.7	97%	
Real Estate	22.6	25.8	28.5	32.1	35.8	37.3	37.3	44.5	51.8	16.4%	51.5	-0.5%	52.7	2.4%	51.5	-0.6%	52.5	2.0%	50.8	97%	
Utilities	32.9	33.0	35.6	37.0	40.8	44.8	46.8	49.3	50.8	2.9%	52.0	2.4%	58.5	12.5%	54.0	6.4%	58.3	8.0%	60.3	103%	
S&P 500	968.3	974.8	985.0	1103.4	1319.0	1327.8	1198.1	1778.1	1857.2	4.4%	1890.4	1.8%	2077.8	9.9%	1892.2	1.9%	2061.3	8.9%	2062.9	100%	
S&P ex. Energy (\$bn)	874.0	935.4	974.6	1066.3	1249.2	1278.4	1204.2	1698.9	1656.7	-2.5%	1741.4	5.1%	1940.8	11.4%	1743.4	5.2%	1921.3	10.2%	1921.9	100%	
S&P ex. Tech (\$bn)	805.7	806.6	808.5	895.4	1079.4	1094.4	933.4	1432.3	1502.5	4.9%	1511.6	0.6%	1632.1	8.0%	1513.5	0.7%	1616.3	6.8%	1603.9	99%	
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	11.9%											
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%												

S&P 500 EPS	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
2023E	223	53	54	58	57
2024E	243	57	59	62	65

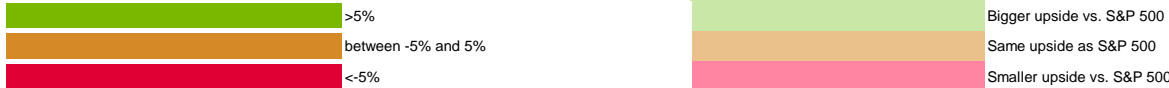
S&P 500 EPS historical constituents represents the earnings per share (EPS) of S&P 500 index constituents at the time, while S&P 500 EPS current constituents represents the earnings per share of index constituents as of the date the data was compiled 9/30/2023.

Source: Factset, DWS Investment GmbH as of 3/15/2024. Past performance may not be indicative of future results. Forecasts are not a reliable indicator of future returns.



DWS Investment GmbH View: S&P 500 fair value by sector: Assuming a ~5.50% real cost of equity (CoE) for overall S&P 500

	Market Value (\$bn)	Current 2024 PE	2024E Earnings (\$bn)	Normal Ratio	Normal 2024E Earnings	Accounting Quality Adjustment	Fully Adjusted Earnings	Net Debt / Market Cap	FCF / EPS	Real CoE	Steady State Value	Growth Premium	2024 Start Fair Value (\$bn)	2024E Dividend Yield	2024 End Fair Value (\$bn)	PE on Normal 2024E EPS	2024 End Upside %	2024 End Upside vs. S&P 500
Communication Services	4,006	18.8	213.0	99%	211.4	-7%	196.6	14%	0.83	5.50%	3,574	20%	4,288	0.9%	4,593	21.7	15%	16%
Consumer Discretionary	4,398	25.9	170.0	102%	173.8	-6%	163.3	12%	0.74	5.50%	2,970	31%	3,895	1.0%	4,166	24.0	-5%	-4%
<i>Automobiles</i>	556	22.3	25.0	95%	23.8	-8%	21.9	24%	0.99	6.50%	336	40%	471	0.5%	511	21.5	-8%	-7%
<i>Broadline (Internet) Retail</i>	1,590	43.0	37.0	120%	44.4	-5%	42.2	1%	0.18	5.25%	803	75%	1,406	0.0%	1,514	34.1	-5%	-3%
<i>ex. Auto & Broadline (Internet) Retail</i>	2,251	20.8	108.0	98%	105.6	-6%	99.3	14%	0.75	5.43%	1,830	10%	2,019	1.5%	2,149	20.4	-5%	-3%
Consumer Staples	2,433	20.0	121.5	98%	119.2	-6%	112.1	15%	0.84	5.25%	2,135	5%	2,242	2.8%	2,353	19.7	-3%	-2%
Energy	1,765	12.6	140.0	101%	141.0	-10%	126.9	14%	0.91	6.25%	2,030	-18%	1,665	2.2%	1,774	12.6	0%	2%
Financials	5,763	16.2	356.0	97%	345.6	-7%	319.8		1.10	6.25%	5,117	-3%	4,963	1.8%	5,308	15.4	-8%	-6%
<i>Banks</i>	1,448	11.6	125.0	95%	118.8	-7%	110.4		1.11	7.50%	1,473	-10%	1,325	2.8%	1,420	12.0	-2%	0%
Health Care	5,434	19.1	285.0	99%	281.7	-8%	259.2	10%	1.14	5.40%	4,800	15%	5,520	1.4%	5,881	20.9	8%	10%
Industrials	3,593	20.9	172.0	101%	173.6	-7%	161.4	17%	0.88	5.50%	2,935	10%	3,228	1.7%	3,432	19.8	-4%	-3%
Information Technology	12,886	29.0	445.0	103%	459.0	-3%	445.2	2%	0.95	5.25%	8,481	35%	11,449	0.8%	12,241	26.7	-5%	-3%
Materials	1,037	21.6	48.0	97%	46.7	-8%	42.9	19%	0.89	6.00%	716	5%	751	1.4%	805	17.2	-22%	-21%
Real Estate	938	17.9	52.5	97%	50.8	-3%	49.2	36%	1.80	5.75%	856	5%	899	3.5%	942	18.5	0%	2%
Utilities	918	15.8	58.3	103%	60.3	-7%	56.0	88%	-0.64	5.75%	975	0%	975	3.7%	1,018	16.9	11%	12%
S&P 500 (\$ bn)	43,172	20.9	2061.3	100%	2062.9	-6.3%	1932.7			5.55%	34,587	15.3%	39876	1.4%	42,513	20.6	-2%	0%
S&P 500 Index (\$/sh)	5117	21.1	243.0	100%	243.0	-6.2%	228.0	11%	0.93	5.50%	4145	15.6%	4790	1.4%	5098	21.0	0%	0%



Source: IBES, DWS Investment GmbH as of 3/15/2024. Past performance may not be indicative of future results. Forecasts are not a reliable indicator of future returns.

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 9/30/2023.

The estimated 2024 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 ~5.50% real cost of equity (CoE) for overall S&P 500 (1 of 2)

	Market Value (\$bn)	Current 2024 PE	2024E Earnings (\$bn)	Normal Ratio	Normal 2024E Earnings	Accounting Quality Adjustment	Fully Adjusted Earnings	Net Debt / Market Cap	FCF / EPS	Real CoE	Steady State Value	Growth Premium	2024 Start Fair Value (\$bn)	2024E Dividend Yield	2024 End Fair Value (\$bn)	PE on Normal 2023A EPS	2024 End Upside %	2024 End Upside vs. S&P 500
CONSUMER DISCRETIONARY	4,398	25.9	170.0	102%	173.8	-6.0%	163	12%	0.74	5.50%	2,970	31.2%	3,895	1.0%	4,166	24.0	-5%	-4%
Automobile Components	29,342	10.9	2,700	100%	2,700	-7%	2,511	30%	0.90	6.50%	38,631	0%	38,631	0.4%	41,971	15.5	43%	45%
Automobiles	556,423	22.3	25,000	95%	23,750	-8%	21,850	24%	0.56	6.50%	336,154	40%	470,615	0.5%	510,510	21.5	-8%	-7%
Distributors	51,902	17.3	3,000	95%	2,850	-7%	2,651	14%	0.98	5.50%	48,191	0%	48,191	2.0%	51,058	17.9	-2%	0%
Hotels Restaurants & Leisure	899,730	22.8	39,500	100%	39,500	-6%	37,130	18%	0.95	5.25%	707,238	15%	813,324	1.2%	866,226	21.9	-4%	-2%
Household Durables	173,264	12.8	13,500	90%	12,150	-12%	10,692	6%	0.99	6.50%	164,492	0%	164,492	1.1%	177,492	14.6	2%	4%
Broadline Retail	1,590,314	43.0	37,000	120%	44,400	-5%	42,180	1%	0.18	5.25%	803,429	75%	1,406,000	0.0%	1,514,457	34.1	-5%	-3%
Leisure Products	6,958	13.9	500	90%	450	-7%	419	58%	1.01	5.50%	7,609	-20%	6,087	5.3%	6,253	13.9	-10%	-9%
Specialty Retail	939,824	22.4	42,000	98%	41,160	-5%	39,102	14%	0.91	5.25%	744,800	10%	819,280	1.6%	869,706	21.1	-7%	-6%
Textiles Apparel & Luxury Goods	149,978	22.1	6,800	100%	6,800	-7%	6,324	3%	0.98	5.50%	114,982	12%	128,780	1.6%	137,052	20.2	-9%	-7%
CONSUMER STAPLES	2,433	20.0	121.5	98%	119.2	-6%	112	15%	0.84	5.25%	2,135	5%	2,242	2.8%	2,353	19.7	-3%	-2%
Beverages	602,140	21.1	28,500	100%	28,500	-7%	26,505	14%	0.88	5.25%	504,857	15%	580,586	2.7%	609,788	21.4	1%	3%
Consumer Staples Distribution & Retail	642,328	24.1	26,700	100%	26,700	-6%	25,098	9%	0.63	5.25%	478,057	10%	525,863	1.3%	560,033	21.0	-13%	-11%
Food Products	348,557	15.2	23,000	97%	22,310	-8%	20,525	27%	0.90	5.25%	390,956	-10%	351,861	3.1%	368,196	16.5	6%	7%
Household Products	545,092	24.8	22,000	100%	22,000	-8%	20,240	9%	0.97	5.25%	385,524	15%	443,352	2.4%	467,166	21.2	-14%	-13%
Personal Care Products	69,874	25.0	2,800	110%	3,080	-8%	2,834	15%	0.97	5.50%	51,520	25%	64,400	2.9%	67,711	22.0	-3%	-2%
Tobacco	225,059	12.2	18,500	90%	16,650	-8%	15,318	33%	1.03	5.20%	294,577	-25%	220,933	6.7%	223,228	13.4	-1%	1%
Energy	1,765	12.6	140.0	101%	141.0	-10%	127	14%	0.91	6.25%	2,030	-18%	1,665	2.2%	1,774	12.6	0%	2%
Energy Equipment & Services	140,883	14.1	10,000	110%	11,000	-8%	10,120	13%	0.93	6.75%	149,926	0%	149,926	2.1%	160,576	14.6	14%	16%
Oil Gas & Consumable Fuels	1,624,244	12.5	130,000	100%	130,000	-10%	117,000	14%	0.90	6.25%	1,872,000	-20%	1,497,600	3.1%	1,581,694	12.2	-3%	-1%
FINANCIALS	5,763	16.2	356.0	97%	345.6	-7%	320	0%	1.10	6.25%	5,117	-3%	4,963	1.8%	5,308	15.4	-8%	-6%
Capital Markets	1,209,351	18.6	65,000	95%	61,750	-10%	55,575	2%	1.08	6.50%	855,000	-5%	812,250	2.1%	867,979	14.1	-28%	-27%
Banks	1,448,345	11.6	125,000	95%	118,750	-7%	110,438	N/A	1.11	7.50%	1,472,500	-10%	1,325,250	2.9%	1,419,099	12.0	-2%	0%
Consumer Finance	234,791	13.0	18,000	95%	17,100	-15%	14,535	N/A	1.16	6.75%	215,333	-10%	193,800	1.5%	208,765	12.2	-11%	-10%
Financial Services	1,903,123	23.8	80,000	100%	80,000	-5%	76,000	4%	1.02	5.25%	1,447,619	10%	1,592,381	0.4%	1,710,132	21.4	-10%	-9%
Insurance	967,511	14.2	68,000	100%	68,000	-7%	63,240	N/A	1.23	5.75%	1,099,826	-10%	989,843	1.5%	1,057,009	15.5	9%	11%
Thriffs & Mortgage Finance																		
Health Care	5,434	19.1	285.0	99%	281.7	-8%	259	10%	1.14	5.40%	4,800	15%	5,520	1.4%	5,881	20.9	8%	10%
Biotechnology	839,474	17.5	48,000	105%	50,400	-12%	44,352	10%	1.23	5.50%	806,400	20%	967,680	2.3%	1,022,823	20.3	22%	23%
Health Care Equipment & Supplies	1,097,572	25.5	43,000	105%	45,150	-8%	41,538	10%	1.17	5.00%	830,760	25%	1,038,450	1.0%	1,105,913	24.5	1%	2%
Health Care Providers & Services	1,184,219	15.1	78,500	95%	74,575	-8%	68,609	9%	1.05	5.50%	1,247,436	5%	1,309,808	1.4%	1,396,386	18.7	18%	19%
Life Sciences Tools & Services	628,342	29.2	21,500	95%	20,425	-8%	18,791	13%	1.15	5.50%	341,655	20%	409,985	0.3%	441,658	21.6	-30%	-28%
Pharmaceuticals	1,684,840	17.9	94,000	97%	91,180	-10%	82,062	9%	1.15	5.50%	1,492,036	10%	1,641,240	2.3%	1,734,104	19.0	3%	4%
INDUSTRIALS	3,593	20.9	172.0	101%	173.6	-7%	161	17%	0.88	5.50%	2,935	10%	3,228	1.7%	3,432	19.8	-4%	-3%
Aerospace & Defense	634,421	22.7	28,000	115%	32,200	-8%	29,624	22%	1.12	5.50%	538,618	10%	592,480	1.6%	630,694	19.6	-1%	1%
Air Freight & Logistics	201,281	16.8	12,000	95%	11,400	-8%	10,488	12%	0.75	5.75%	182,400	0%	182,400	3.2%	191,701	16.8	-5%	-3%
Passenger Airlines	71,785	6.8	10,500	95%	9,975	-20%	7,980	75%	-0.22	10.0%	79,800	0%	79,800	1.0%	89,008	8.9	24%	26%
Building Products	199,487	21.9	9,100	95%	8,645	-7%	8,040	14%	1.04	5.50%	146,179	10%	160,797	1.5%	171,243	19.8	-14%	-13%
Commercial Services & Supplies	233,298	35.9	6,500	100%	6,500	-5%	6,175	11%	0.89	5.25%	117,619	10%	129,381	0.9%	138,198	21.3	-41%	-39%
Construction & Engineering	35,035	29.2	1,200	115%	1,380	-7%	1,283	16%	1.21	5.25%	24,446	10%	26,890	0.1%	28,934	21.0	-17%	-16%

Source: IBES, DWS Investment GmbH as of 3/15/2024. Past performance may not be indicative of future results. Forecasts are not a reliable indicator of future returns.

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 9/30/2023.

The estimated 2024 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 ~5.50% real cost of equity (CoE) for overall S&P 500 (2 of 2)

	Market Value (\$bn)	Current 2024 PE	2024E Earnings (\$bn)	Normal Ratio	Normal 2024E Earnings	Accounting Quality Adjustment	Fully Adjusted Earnings	Net Debt / Market Cap	FCF / EPS	Real CoE	Steady State Value	Growth Premium	2024 Start Fair Value (\$bn)	2024E Dividend Yield	2024 End Fair Value (\$bn)	PE on Normal 2023/4 EPS	2024 End Upside %	2024 End Upside vs. S&P 500
Electrical Equipment	266,052	24.4	10,900	105%	11,445	-7%	10,644	6%	1.17	5.25%	202,740	20%	243,288	1.3%	258,920	22.6	-3%	-1%
Industrial Conglomerates	378,476	22.3	17,000	110%	18,700	-8%	17,204	8%	1.12	5.25%	327,695	10%	360,465	1.8%	382,081	20.4	1%	2%
Machinery	797,195	18.3	43,500	92%	40,020	-8%	36,818	23%	0.97	5.50%	669,425	10%	736,368	1.4%	785,079	19.6	-2%	0%
Professional Services	295,478	25.7	11,500	100%	11,500	-5%	10,925	7%	1.08	5.25%	208,095	15%	239,310	1.7%	253,906	22.1	-14%	-13%
Ground Transportation	345,359	21.9	15,800	100%	15,800	-8%	14,536	23%	0.70	5.00%	290,720	0%	290,720	1.6%	307,776	19.5	-11%	-9%
Trading Companies & Distributors	135,607	22.6	6,000	100%	6,000	-7%	5,580	14%	0.63	5.50%	101,455	10%	111,600	1.2%	119,181	19.9	-12%	-11%
INFORMATION TECHNOLOGY	12,886	29.0	445.0	103%	459.0	-3%	445	2%	0.95	5.25%	8,481	35%	11,449	0.8%	12,241	26.7	-5%	-3%
Communications Equipment	352,345	16.2	21,700	100%	21,700	-8%	19,964	-5%	1.06	5.75%	347,200	5%	364,560	2.1%	387,036	17.8	10%	11%
Technology Hardware Storage & Peripherals	2,710,569	24.9	109,000	100%	109,000	-5%	103,550	3%	1.00	5.00%	2,071,000	25%	2,588,750	0.6%	2,767,021	25.4	2%	4%
Electronic Equipment Instruments & Components	244,890	22.7	10,800	100%	10,800	-8%	9,936	12%	1.04	5.75%	172,800	5%	181,440	1.0%	194,590	18.0	-21%	-19%
IT Services	542,732	23.1	23,500	100%	23,500	-8%	21,620	7%	1.23	5.00%	432,400	10%	475,640	1.8%	502,727	21.4	-7%	-6%
Semiconductors & Semiconductor Equipment	4,379,554	31.3	140,000	105%	147,000	-8%	135,240	3%	0.85	5.75%	2,352,000	20%	2,822,400	0.6%	3,037,505	20.7	-31%	-29%
Software	4,655,991	33.3	140,000	105%	147,000	-5%	139,650	0%	0.91	5.00%	2,793,000	50%	4,189,500	0.6%	4,479,034	30.5	-4%	-2%
MATERIALS	1,037	21.6	48.0	97%	46.7	-8%	43	19%	0.89	6.00%	716	5%	751	1.4%	805	17.2	-22%	-21%
Chemicals	699,939	22.4	31,200	100%	31,200	-10%	28,080	18%	0.94	6.00%	468,000	15%	538,200	1.8%	574,149	18.4	-18%	-16%
Construction Materials	72,478	30.2	2,400	100%	2,400	-10%	2,160	14%	0.93	6.00%	36,000	0%	36,000	0.6%	38,851	16.2	-46%	-45%
Containers & Packaging	100,520	18.3	5,500	100%	5,500	-10%	4,950	49%	0.84	5.75%	86,087	-10%	77,478	2.8%	81,733	14.9	-19%	-17%
Metals & Mining	163,932	18.4	8,900	85%	7,565	-10%	6,809	6%	0.78	6.50%	104,746	0%	104,746	1.5%	112,558	14.9	-31%	-30%
REAL ESTATE	938	17.9	52.5	97%	50.8	-3%	49	36%	1.80	5.75%	856	5%	899	3.5%	942	18.5	0%	2%
Health Care REITs	70,048	17.1	4,100	100%	4,100	-8%	3,772	34%	5.76	5.25%	71,848	0%	71,848	3.8%	74,695	18.2	7%	8%
Hotel & Resort REITs	14,675	10.5	1,400	90%	1,260	-8%	1,159	29%	1.90	7.00%	16,560	0%	16,560	3.8%	17,496	13.9	19%	21%
Industrial REITs	100,494	23.9	4,200	97%	4,074	-8%	3,748	28%	1.56	5.25%	71,392	5%	74,962	3.5%	78,160	19.2	-22%	-21%
Office REITs	27,259	12.4	2,200	85%	1,870	-8%	1,720	89%	2.44	6.50%	26,468	0%	26,468	5.0%	27,531	14.7	1%	3%
Residential REITs	119,891	16.2	7,400	95%	7,030	-8%	6,468	36%	1.82	5.25%	123,192	0%	123,192	4.0%	127,785	18.2	7%	8%
Retail REITs	111,605	13.1	8,500	90%	7,650	-8%	7,038	53%	1.98	6.50%	108,277	0%	108,277	5.5%	112,065	14.6	0%	2%
Specialized REITs	425,805	18.5	23,000	100%	23,000	-8%	21,160	37%	1.32	5.75%	368,000	15%	423,200	3.6%	442,823	19.3	4%	6%
Real Estate Management & Development	68,122	40.1	1,700	105%	1,785	-8%	1,642	-2%	1.19	5.75%	28,560	10%	31,416	-	34,008	19.1	-50%	-49%
COMMUNICATION SERVICES	4,006	18.8	213.0	99%	211.4	-7%	197	14%	0.83	5.50%	3,574	20%	4,288	0.9%	4,593	21.7	15%	16%
Diversified Telecommunication Services	292,853	8.4	35,000	75%	26,250	-15%	22,313	106%	0.85	5.50%	405,682	-30%	283,977	6.5%	288,215	11.0	-2%	0%
Entertainment	622,364	27.7	22,500	112%	25,200	-8%	23,184	19%	2.07	5.75%	403,200	25%	504,000	0.3%	544,319	21.6	-13%	-11%
Interactive Media & Services	2,722,919	21.8	125,000	105%	131,250	-5%	124,688	-5%	0.66	5.25%	2,375,000	25%	2,968,750	0.2%	3,194,058	24.3	17%	19%
Media	280,300	10.9	25,700	90%	23,130	-10%	20,817	68%	1.03	6.75%	308,400	-10%	277,560	2.3%	296,751	12.8	6%	7%
Wireless Telecommunication Services	87,845	18.3	4,800	115%	5,520	-8%	5,078	46%	1.01	5.50%	92,335	10%	101,568	1.5%	108,147	19.6	23%	25%
UTILITIES	918	15.8	58.3	103%	60.3	-7%	56	88%	-0.64	5.75%	975	0%	975	3.7%	1,018	16.9	11%	12%
Electric Utilities	612,719	15.7	39,100	105%	41,055	-8%	37,771	90%	-0.66	5.75%	656,880	5%	689,724	3.6%	721,758	17.6	18%	19%
Gas Utilities	16,318	17.2	950	100%	950	-8%	874	40%	-1.63	5.50%	15,891	0%	15,891	2.9%	16,698	17.6	2%	4%
Independent Power and Renewable Electric	10,359	8.0	1,300	100%	1,300	-15%	1,105	222%	-4.04	8.00%	13,813	0%	13,813	4.5%	14,648	11.3	41%	43%
Multi-Utilities	257,625	16.1	16,000	100%	16,000	-8%	14,720	85%	-0.53	5.75%	256,000	0%	256,000	4.0%	266,901	16.7	4%	5%
Water Utilities	21,283	22.4	950	100%	950	-5%	903	46%	-1.00	5.00%	18,050	0%	18,050	2.6%	18,942	19.9	-11%	-9%

Source: IBES, DWS Investment GmbH as of 3/15/2024. Past performance may not be indicative of future results. Forecasts are not a reliable indicator of future returns.

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 9/30/2023.

The estimated 2024 year end upside is on absolute valuation basis of each sector, not on relative sector valuation basis.

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 2024E S&P 500 EPS	\$243.00	DWS 2024E S&P 500 DPS	\$76.00	DWS 2024E S&P 500 aggregate ROE	22.1%	Fair long-term nominal return on S&P 500 index	8.00%
		2024E dividend payout ratio	31%	2023E end S&P 500 book value per share	\$1,100	Components of estimated fair S&P 500 return:	
DWS "normal 2024E" S&P 500 EPS	\$243.00	DWS "normal 2024E" S&P 500 DPS	\$76.00	DWS "normal 2024E" S&P 500 aggregate ROE	20.7%	+ Long-term real risk free interest rate	1.75%
"Normal 2024E" EPS / 2024 EPS	100%	Normal dividend payout ratio	33%			+ Long-term fair S&P 500 equity risk premium*	3.75%
				S&P EPS retained for true reinvestment	43%	= Long-term real S&P 500 cost of equity	5.50%
Accounting quality adjustment to pro forma EPS	-\$15.00	EPS directed to net share repurchases	\$55.00	Estimated ROE on reinvested S&P EPS	9.00%	+ Long-term inflation forecast	2.50%
		Normal share repurchase payout ratio	24%	Economic margin (EM) or ROE-CoE	1.00%	= S&P 500 nominal cost of equity	8.00%
Normal 2024E S&P 500 EPS fair to capitalize	\$228	Total payout of S&P 500 EPS	\$131.00	Sources of long-term earnings growth:		* S&P 500 ERP history 300-400bps, w/ real CoE @ 5% - 6.5%	
Key principle: steady-state value = normal EPS / real CoE		Total payout ratio of normal and quality adj. EPS	57%	+ Long-term inflation forecast	2.50%	Fair S&P 500 Market Value and Book Value Multiple	
				+ Fair return on true reinvestment	2.34%	2023E end S&P 500 book value per share	\$1,100
S&P 500 EPS Capitalization Valuation		S&P 500 DPS Discount Model		+ Value added return on true reinvestment	0.43%	Fair PB = Fair PE * normal aggregate ROE	4.35
Normal EPS / (real CoE - (EM/payout) - EM):		Normal DPS / (nominal CoE - DPS growth):		= Long-term earnings growth	5.27%	Fair PE =(inc ROE-g)/(inc real ROE*(real CoE-real g))	19.71
S&P 500 intrinsic value at 2024 start	4790	S&P 500 intrinsic value at 2024 start	4790	+ Growth from net share repurchases	1.15%	Implied S&P 500 fair value of book at 2024 start	4790
S&P 500 intrinsic value at 2024 end	5098	S&P 500 intrinsic value at 2024 end	5098	= Long-term S&P 500 EPS/DPS growth	6.41%	Steady-state PB = normal agg. ROE / real CoE	3.77
Implied fair fwd PE in early 2024 on 2024E \$243 EPS	19.7	Implied fair forward yield on 2024E DPS of \$76.0	1.59%	+ Fair normal dividend yield	1.59%	Confirmed by fair steady-state PE = 1 / real CoE	18.2
Implied fair trailing PE at 2024 end on 2024E \$243 EPS	21.0	Implied fair trailing yield on 2024E DPS of \$76.0	1.49%	= Total long-term return at constant PE	8.00%		
Normal EPS / (real CoE-value added EPS growth)	4493	DPS discount model using true DPS (all payout)	4790	Value added growth premium in fair value est.	16%	Normal 2024E economic profit per share	\$167.50

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

	2024E Normal S&P 500 EPS				
	\$230	\$235	\$243	\$245	\$250
5.00%	5648	5865	6226	6319	6556
5.25%	5132	5311	5605	5680	5871
5.50%	4703	4853	5098	5160	5317
5.75%	4341	4468	4675	4727	4859
6.00%	4031	4141	4318	4363	4475

Source: DWS Investment Management GmbH. Forecasts are not a reliable indicator of future returns.

DWS March 2025 equity index targets

Index	3M relative View	Current Level	Previous Target CIO Day Nov	Target Mar 25	Chg in Target	Expected Total Return Mar 25	----- thereof -----		Assumptions							
							EPS growth NTM*	LTM multiple impact	Dividend Yield	EPS NTM* (e)	DWS vs. Cons.	Target LTM P/E in Mar 25	Target PE discount to US	Payout ratio	chg of LTM target PE	
		14/03/2024														
S&P 500		5,153	4,700	5,300	13%	4.3%	USD	8.2%	-5%	1.5%	247	-2.3%	21.5x		31%	2.1x
Stoxx 600		506	465	515	11%	5.0%	EUR	4.7%	-3%	3.3%	37.0	-1.5%	13.9x	-35%	45%	1.1x
EuroStoxx 50		4,993	4,350	5,000	15%	3.3%	EUR	3.5%	-3%	3.2%	370	-1.0%	13.5x	-37%	43%	1.6x
DAX40		17,942	16,600	18,700	13%	4.2%	EUR	4.1%	-3%	3.2%	1458	-1.1%	12.4x	-42%	40%	1.2x
SMI		11,721	10,950	11,450	5%	0.7%	CHF	9.1%	-11%	3.0%	673	-1.2%	17.0x	-21%	52%	0.8x
FTSE 100		7,743	7,400	7,600	3%	2.1%	GBP	-0.6%	-1%	3.9%		-1.4%	11.2x	-48%	45%	0.8x
MSCI EM		1,047	1,010	1,050	4%	3.2%	USD	11.9%	-10%	2.9%	80.7	-6.5%	13.0x	-40%	37%	-0.4x
MSCI AC Asia xJ		661	640	675	5%	4.8%	USD	15.3%	-11%	2.6%	48.3	-5.3%	14.0x	-35%	36%	-0.7x
MSCI Japan		1,643	1,520	1,740	14%	8.2%	YEN	11.2%	-5%	2.3%	109.9	2.5%	15.8x	-27%	34%	0.5x
MSCI Australia		1,547	1,400	1,500	7%	0.9%	AUD	-0.3%	-3%	3.9%	93.0	-0.9%	16.1x	-25%	66%	1.7x

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S&P 500 industry monitor (1 of 2)

Sector	Industry	PE on 2022 EPS	PE on 2023 Consensus EPS	2023 Consensus EPS Growth	2024 Consensus EPS Growth	2023 EPS Revision 3m	3m Total Return Momentum	2024 End Upside (Intrinsic Valuation)	Combined Signal
Consumer Discretionary		39.3	25.2	40.5%	11.2%	2.9%	1.5%	-14.5%	1
	Automobile Components	16.4	11.5	25.7%	12.9%	1.4%	-10.5%	43.4%	0
	Automobiles	21.3	19.9	3.9%	3.2%	3.0%	-30.1%	-26.4%	0
	Household Durables	10.9	11.8	-9.2%	2.4%	1.0%	6.1%	-6.4%	0
	Leisure Products	12.3	16.4	-42.3%	29.9%	-10.7%	7.2%	-1.5%	-1
	Textiles Apparel & Luxury Goods	27.0	23.8	0.7%	12.8%	-2.1%	-11.9%	-7.2%	-1
	Hotels Restaurants & Leisure	95.3	22.7	290.6%	7.7%	3.2%	2.5%	-2.7%	1
	Distributors	17.3	17.1	-2.7%	4.2%	1.3%	8.5%	-1.3%	0
	Broadline Retail	152.2	40.2	170.8%	39.9%	7.8%	16.2%	-22.1%	1
	Specialty Retail	23.4	22.7	1.4%	1.7%	1.0%	9.1%	-9.8%	0
Consumer Staples		22.4	20.2	6.0%	4.6%	0.6%	7.4%	-4.8%	0
	Consumer Staples Distribution & Retail	27.5	25.0	4.9%	4.8%	2.3%	14.7%	-13.6%	1
	Food Products	14.4	15.3	-5.7%	-0.6%	-1.0%	-1.5%	6.9%	-1
	Beverages	24.9	20.7	12.8%	6.8%	0.6%	2.1%	-0.7%	0
	Tobacco	12.7	11.9	2.8%	4.5%	-0.6%	3.3%	-2.8%	0
	Household Products	28.5	23.9	10.3%	8.3%	0.6%	12.3%	-11.3%	0
	Personal Care Products	44.9	25.5	85.4%	-5.1%	1.4%	1.1%	-3.3%	0
Energy		9.7	12.9	-18.9%	-7.3%	-0.2%	9.6%	10.3%	-1
	Energy Equipment & Services	28.0	14.0	70.9%	17.0%	1.2%	1.5%	20.2%	0
	Oil Gas & Consumable Fuels	9.2	12.8	-21.6%	-8.9%	-0.3%	10.4%	7.7%	-1
Financials		18.3	15.8	9.0%	6.6%	-0.1%	9.6%	-6.5%	0
	Banks	12.0	11.4	12.0%	-5.9%	-1.2%	9.8%	-4.1%	0
	Financial Services	29.8	23.1	15.9%	11.1%	-0.6%	12.2%	-5.1%	1
	Consumer Finance	11.3	12.7	-18.7%	9.7%	-2.4%	15.6%	-4.5%	-1
	Capital Markets	19.4	17.8	-5.4%	14.9%	0.2%	0.8%	-27.0%	-1
	Insurance	20.8	14.0	23.6%	20.6%	4.0%	15.7%	5.2%	1
Health Care		17.8	19.2	-19.9%	15.1%	0.9%	8.9%	4.3%	0
	Health Care Providers & Services	17.2	14.9	8.4%	6.3%	0.5%	1.9%	15.3%	0
	Health Care Equipment & Supplies	29.0	26.2	3.4%	7.0%	1.1%	10.6%	-4.9%	0
	Life Sciences Tools & Services	25.2	29.7	-16.2%	1.3%	-2.0%	10.2%	-26.0%	-1
	Biotechnology	13.3	17.1	-27.9%	8.0%	0.4%	5.9%	7.8%	0
	Pharmaceuticals	15.1	18.4	-41.4%	39.4%	2.4%	14.2%	5.3%	1
Industrials		29.7	21.4	27.4%	9.1%	1.7%	8.6%	-7.2%	1
	Aerospace & Defense	48.3	22.0	71.0%	28.5%	2.2%	0.4%	-4.3%	1
	Building Products	23.1	20.2	10.1%	4.0%	1.3%	13.8%	-14.3%	0
	Trading Companies & Distributors	30.3	22.5	26.6%	6.3%	1.0%	19.0%	-8.9%	1
	Electrical Equipment	30.4	24.7	10.5%	11.4%	0.5%	15.3%	1.6%	0
	Construction & Engineering	39.0	29.0	15.1%	16.7%	0.3%	12.9%	-10.0%	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 3/15/2024. Past performance may not be indicative of future results. Forecasts are not a reliable indicator of future returns.

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S&P 500 industry monitor (2 of 2)

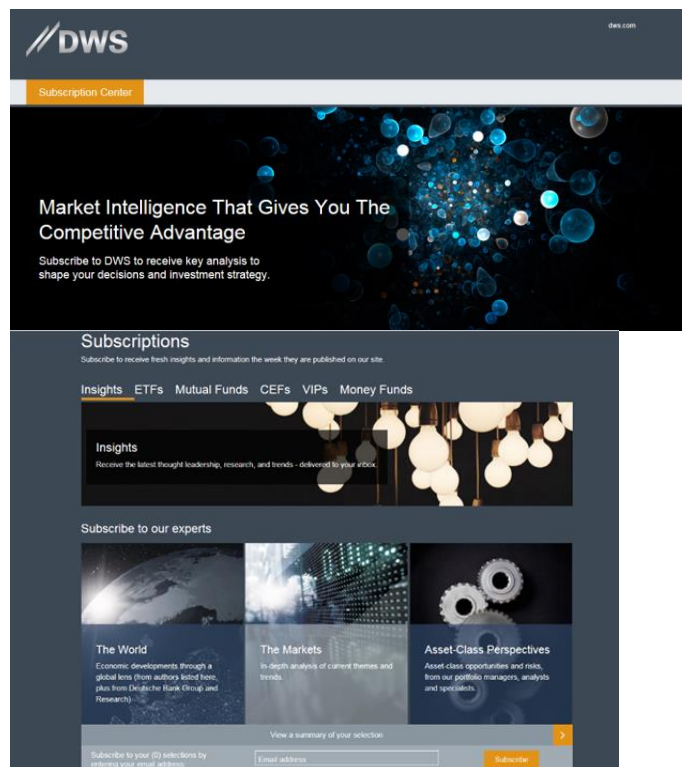
Sector	Industry	PE on 2022 EPS	PE on 2023 Consensus EPS	2023 Consensus EPS Growth	2024 Consensus EPS Growth	2023 EPS 3m Revision	3m Total Return Momentum	2024 End Upside (Intrinsic Valuation)	Combined Signal
	Industrial Conglomerates	26.5	22.0	1.2%	19.0%	1.6%	14.2%	-0.9%	1
	Machinery	24.6	18.6	34.2%	-1.1%	0.5%	12.9%	-1.9%	1
	Commercial Services & Supplies	48.0	33.7	29.0%	10.3%	1.9%	14.8%	-34.7%	1
	Professional Services	30.5	25.5	10.0%	8.8%	0.8%	2.7%	-20.8%	0
	Air Freight & Logistics	12.3	16.8	-28.9%	3.4%	-1.4%	-6.5%	-16.7%	-1
	Passenger Airlines	29.2	6.9	327.6%	-1.0%	3.9%	0.1%	33.6%	1
	Ground Transportation	46.4	27.3	51.9%	11.8%	7.5%	10.1%	-15.7%	1
Information Technology		35.8	28.9	5.2%	17.7%	1.2%	11.2%	-11.3%	0
	IT Services	26.5	23.5	7.1%	5.2%	1.1%	9.5%	-15.1%	0
	Software	45.6	32.8	19.9%	15.9%	1.5%	9.4%	-5.9%	1
	Communications Equipment	19.8	16.8	17.4%	0.3%	-0.6%	5.1%	3.8%	0
	Technology Hardware Storage & Peripherals	26.4	24.8	-2.5%	9.1%	0.3%	-11.9%	-13.4%	0
	Electronic Equipment Instruments & Components	22.1	22.0	-4.2%	5.0%	0.4%	4.2%	-20.3%	0
	Semiconductors & Semiconductor Equipment	41.4	31.5	-3.2%	35.8%	2.3%	36.8%	-25.8%	1
Materials		15.6	21.5	-25.9%	-1.9%	0.3%	7.2%	-11.6%	0
	Chemicals	17.5	22.4	-21.6%	-0.1%	0.0%	7.3%	-6.9%	-1
	Construction Materials	49.1	29.5	44.3%	15.3%	2.9%	20.5%	-47.1%	1
	Metals & Mining	9.4	18.0	-40.6%	-12.0%	0.3%	1.8%	-25.9%	0
	Containers & Packaging	14.1	18.9	-26.6%	1.9%	0.6%	7.5%	-18.9%	0
Real Estate		30.2	37.7	-17.8%	-2.6%	0.8%	-1.3%	-2.8%	-1
	Industrial REITs	29.7	52.0	-24.4%	-24.6%	4.1%	-3.2%	-25.2%	-1
	Hotel & Resort REITs	18.2	20.9	-8.0%	-5.5%	3.0%	9.5%	22.6%	0
	Office REITs	21.0	34.5	-80.8%	217.6%	-45.4%	-6.3%	-10.0%	-1
	Health Care REITs	89.9	125.0	-18.8%	-11.5%	-7.0%	-3.8%	0.5%	-1
	Residential REITs	28.5	43.5	-6.6%	-29.7%	11.8%	0.4%	7.2%	0
	Retail REITs	31.5	29.5	17.2%	-9.0%	6.1%	-3.1%	-3.8%	1
	Specialized REITs	28.8	32.8	-21.0%	10.9%	-2.9%	-1.4%	-0.1%	-1
	Real Estate Management & Development	28.3	43.1	-29.9%	-6.4%	2.3%	5.9%	-38.2%	0
Communication Services		24.0	18.9	8.2%	17.2%	0.7%	15.4%	7.7%	0
	Diversified Telecommunication Services	6.7	8.2	-13.5%	-5.3%	-0.4%	6.4%	-5.2%	-1
	Wireless Telecommunication Services	93.0	17.9	298.3%	30.1%	-3.5%	4.0%	21.0%	0
	Media	11.8	10.5	4.0%	8.4%	0.3%	-5.3%	-1.5%	0
	Entertainment	38.1	30.3	-18.1%	53.6%	-3.5%	17.2%	0.5%	-1
	Interactive Media & Services	33.3	22.1	22.9%	22.8%	2.0%	19.2%	12.0%	1
Utilities		17.9	15.7	1.5%	12.3%	-3.7%	0.1%	16.1%	-1
	Multi-Utilities	16.7	16.1	-7.1%	11.6%	-4.5%	-0.9%	6.5%	-1
	Water Utilities	27.3	22.4	14.2%	6.8%	1.9%	-10.6%	-17.7%	1
	Gas Utilities	20.2	17.1	10.0%	7.9%	0.3%	0.5%	-1.9%	0
	Electric Utilities	18.5	15.6	4.8%	13.0%	-3.7%	1.4%	20.2%	-1
	Independent Power and Renewable Electricity Producers	9.2	7.9	8.0%	8.2%	2.3%	-21.5%	27.2%	0
S&P 500		23.8	21.3	1.7%	10.2%	0.7%	8.8%	-3.9%	0

Source: Factset, DWS Investment GmbH as of 3/15/2024. Past performance may not be indicative of future results. Forecasts are not a reliable indicator of future returns.

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