

Last days to price best of all possibilities: Tough decisions after the elections



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100% hopeful now, 50% disappointed later: Markets price best of each scenario
Remove presidential candidate's names and the parties controlling Congress from election scenarios and markets appear priced for outcomes that produce: 1) no tariff hikes, 2) no tax hikes, and 3) the Fed quickly cutting rates to neutral in 2025. Such expected political and policy outcomes for 2025 also include a macro backdrop of: 1) healthy US GDP growth and inflation, 2) geopolitical stability, and 3) a deficit normalizing and trending to below nominal GDP growth, or the bond market just not caring about it, so 4) 10yr Treasury yields under 4%, and 5) a few years of 10% S&P EPS annual growth. We imply such expectations by observing the S&P at 21.5x our 2025E EPS of \$270, up 10% from 2024E of \$245, which assumes no corporate tax hikes. Our intrinsic valuation models support a 21.5 forward S&P PE if S&P EPS increases 10% annually into 2027 and 10yr TIPS yields fall to 1.5% with a 3.5% equity risk premium (requires a confident EPS and rates outlook) for a real cost of equity of 5.0%. Thus, a fair steady-state 20 forward PE for 6% long-term S&P EPS growth.

It remains a tight presidential election, likely a small Republican Senate majority
We think tax hikes are likely in 2025 unless a Presidential veto blocks them. While we expect Republicans to take Senate by a couple of seats, we think a Harris administration can push through higher top household income and corporate tax rates by offering industrial policy benefits to red state Senators. Tax legislation is likely a first 100 days priority and needed by 2025 end given sunsets. Raising the corporate tax rate to 28% hits S&P EPS by about 7%. The amount varies by sectors/companies on geographic mix.

Next Fed meeting 2 days after the election: What if no fiscal tightening is likely?
We remain surprised by the Fed's unwillingness to acknowledge the structurally unsustainable deficit and the differing implications for fiscal policy per election outcomes. If Trump wins and Treasury markets selloff then the Fed might need to pause rest of year.

Few care about non GAAP EPS quality: At least a 5% deduction for S&P EPS
Both our and consensus S&P EPS estimates and the comparable histories of actual results are based on non GAAP figures. Non GAAP EPS is based on analysts excluding charges considered non-operating or unusual, such that exclusion better represents profitability during the short-term period being analyzed. Typical exclusions include loss on asset sales or impairments, restructuring costs, litigation costs, etc. We find non GAAP EPS measures analytically useful, but for decades we've cautioned that non GAAP EPS tends to overstate truly normalized earnings, historically by 5-10%. We make deductions to non GAAP EPS estimates when used in valuation models. We think GAAP EPS tends to understate normal. Some investors argue for a sustained S&P PE well over 20 owing to higher FCF relative to earnings than history. It's true that FCF is higher relative to non GAAP earnings now than history, but this requires careful consideration to correctly factor into valuation. First, the calculation of FCF vs. non GAAP earnings must be consistent and conceptually sound. Non-GAAP EPS usually adds back all amortization of intangibles, which can have an economic cost. And sometimes stock option expense is also added back, yet stock option issuance will reduce future FCF per share. So be careful when calculating FCF using non-GAAP net income as the stem. Second, the difference between earnings and FCF is investment. Earnings reinvestment ratios vary historically, but what matters is the return on incremental investment. The incremental return is indeed higher over the past decade than history and higher than cost of equity estimates. We think this continues for several more years, but we capture this in our forecasted EPS growth rates and the valuation premiums we assign to each sector above steady-state PEs for overall value added S&P EPS growth.

S&P 500 targets: 5300-5500 for 2024 end, Sept. 2025 is 5800 & 6000 yearend
We're assessing 3Q reporting, but we'll likely maintain our S&P EPS forecasts assuming no corporate tax changes: \$245 in 2024, \$270 in 2025, \$300 in 2026. However, our S&P targets do not ignore the potential for tax hikes hitting our EPS estimates or affecting our 10yr Treasury yield outlook for being at 4% in a year. We will reassess after the election.

Cautious on stocks around elections and into yearend: Preferred outcome plays
Our preference remains for large cap and balanced style exposures. We're not overweight small caps and question whether a rally there is sustained or runs higher on Trump. We see best risk/reward on a Trump win at large Financials, Health Care and Communications and Tech stocks. We view best reward/risk on a Harris win at Utilities, REITS, Staples.

Contributor: Ju Wang, Equity Portfolio Manager

| Global Equity Index Forecasts: 12-months | | | |
|--|-----------|----------------|-----------|
| Index | Sep 2025F | NTM EPS Growth | Target PE |
| S&P 500 | 5,800 | 10.7% | 21.6 |
| EuroStoxx 50 | 5,100 | 4.1% | 13.7 |
| Stoxx 600 | 540 | 4.9% | 14.2 |
| MSCI Japan | 1,760 | 8.4% | 15.4 |
| MSCI Asia xJ | 740 | 12.7% | 14.2 |
| MSCI EM | 1,140 | 13.0% | 13.2 |

| S&P 500 Outlook at Yearend | | | |
|----------------------------|-------|-------|-------|
| | 2022 | 2023 | 2024F |
| S&P 500 | 3840 | 4770 | 5400 |
| Dividend Yield | 1.75% | 1.50% | 1.50% |
| S&P EPS | \$222 | \$223 | \$245 |
| Trailing PE | 17.3 | 21.5 | 21.6 |
| 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 | 31.5% | 31% |
| Equities | 58.5% | 57% |
| US Equities | 41% | 38.5% |
| S&P 500 | 37% | 36% |
| Small Caps | 4% | 2.5% |
| Foreign DM | 12.5% | 13.5% |
| Foreign EM | 5% | 5% |
| Alternatives | 10% | 12% |

| Key CIO Views | | |
|------------------------|-------------|-------------|
| Macro signal: | Oct 2024 | Sep 2025F |
| U.S. Fed Funds rate | 4.75%-5.00% | 3.75%-4.00% |
| 10yr Treasury yield | 4.00% | 4.05% |
| US IG Corp Spreads | 100bp | 85bp |
| US High Yield Spreads | 325bp | 375bp |
| Crude Oil (WTI) \$/bbl | 71 | 80 |
| EUR / USD FX rate | 1.09 | 1.08 |

| GDP Forecasts | | | |
|---------------|------|-------|-------|
| Region | 2023 | 2024F | 2025F |
| US | 2.5% | 2.4% | 1.7% |
| World | 3.2% | 3.1% | 3.2% |
| Euro area | 0.5% | 0.7% | 1.0% |
| China | 5.2% | 4.8% | 4.4% |
| Japan | 1.7% | 0.0% | 1.2% |

* 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 10/17/2024 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. 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 | 2022 | 2023 | 2024 | Overweight | 2022 | 2023 | 2024 | Equal weight | 2022 | 2023 | 2024 | Underweight | 2022 | 2023 | 2024 |
|------------------------|--------|------------------------|------------------|------|------|-----------------------------|----------------------------------|------|------|-----------------------------------|-----------------------------------|--------|--------|--------------------------------|----------------------------------|-------|------|------|
| Over-weight | 11.4% | 16.3% | Health Care | 18.6 | 23.2 | 20.7 | Biotechnology | 14.7 | 20.2 | 22.8 | Health Care Providers & Services | 18.0 | 16.8 | 16.2 | Life Sciences Tools & Services | 25.3 | 28.5 | 28.5 |
| | | | | | | | Health Care Equipment & Supplies | 28.3 | 28.1 | 26.2 | | | | | | | | |
| | | | | | | | Pharmaceuticals | 16.3 | 27.6 | 19.4 | | | | | | | | |
| | 13.2% | 16.1% | Financials | 22.0 | 19.7 | 18.3 | Banks | 14.9 | 12.6 | 13.2 | Financial Services | 32.7 | 28.9 | 25.8 | Capital Markets | 24.4 | 25.2 | 21.9 |
| | | | | | | | Insurance | 23.8 | 19.5 | 15.9 | | | | | Consumer Finance | 14.8 | 16.9 | 16.0 |
| | 2.5% | 3.6% | Utilities | 25.1 | 23.1 | 20.9 | Electric Utilities | 25.0 | 22.5 | 20.2 | Gas Utilities | 25.1 | 22.7 | 20.4 | | | | |
| | | | | | | | | | | | Independent Power & Renewable E | -362.9 | 56.6 | 48.5 | | | | |
| | | | | | | | | | | | Multi-Utilities | 20.5 | 21.4 | 20.1 | | | | |
| | | | | | | | | | | | Water Utilities | 32.2 | 28.8 | 25.9 | | | | |
| 3.4% | 4.4% | Energy | 9.1 | 11.9 | 13.7 | Energy Equipment & Services | 21.0 | 14.1 | 12.4 | Oil Gas & Consumable Fuels | 8.7 | 11.8 | 13.8 | | | | | |
| 8.8% | 9.7% | Communication Services | 31.3 | 24.6 | 21.7 | Entertainment | 89.8 | 35.9 | 57.4 | Diversified Telecommunication Ser | 8.5 | 9.2 | 9.9 | Media | 11.9 | 11.7 | 11.7 | |
| | | | | | | | | | | | Wireless Telecommunication Servi | 106.7 | 30.3 | 23.034 | | | | |
| Under-weight | 8.6% | 8.0% | Industrials | 31.0 | 26.1 | 24.6 | Aerospace & Defense | 46.5 | 42.6 | 32.6 | Construction & Engineering | 49.2 | 45.4 | 37.8 | Air Freight & Logistics | 12.4 | 17.4 | 17.4 |
| | | | | | | | Electrical Equipment | 32.1 | 32.0 | 25.6 | Industrial Conglomerates | 19.4 | 15.6 | 21.5 | Building Products | 27.1 | 33.3 | 25.7 |
| | | | | | | | | | | | Machinery | 25.0 | 19.7 | 20.0 | Commercial Services & Supplies | 40.4 | 35.9 | 28.4 |
| | | | | | | | | | | | Passenger Airlines | 21.9 | 7.3 | 8.8 | Ground Transportation | 66.2 | 32.3 | 29.3 |
| | | | | | | | | | | | | | | | Professional Services | 35.8 | 31.4 | 28.6 |
| | | | | | | | | | | | | | | | Trading Companies & Distributors | 32.8 | 27.4 | 26.0 |
| | 2.2% | 1.5% | Materials | 18.4 | 23.9 | 25.5 | | | | | Chemicals | 19.1 | 24.0 | 24.9 | Construction Materials | 48.7 | 33.0 | 30.2 |
| | | | | | | | | | | | Metals & Mining | 10.8 | 16.3 | 19.3 | Containers & Packaging | 25.6 | 35.2 | 38.8 |
| | 5.8% | 5.1% | Consumer Staples | 23.7 | 22.5 | 21.0 | Beverages | 26.7 | 24.0 | 22.6 | Consumer Staples Distribution & R | 28.6 | 27.5 | 23.1 | Tobacco | 15.5 | 15.2 | 14.6 |
| | | | | | | | Personal Care Products | 49.9 | 22.4 | 23.2 | Household Products | 30.6 | 28.1 | 25.7 | Food Products | 14.9 | 15.8 | 16.3 |
| 2.3% | 1.1% | Real Estate | 20.9 | 20.5 | 19.2 | Specialized REITs | 21.7 | 21.7 | 20.7 | Hotel & Resort REITs | 10.1 | 9.5 | 9.2 | Health Care REITs | 23.7 | 30.0 | 19.0 | |
| | | | | | | | | | | | Industrial REITs | 24.6 | 23.0 | 20.3 | Residential REITs | 20.5 | 19.1 | 18.6 |
| | | | | | | | | | | | Office REITs | 11.6 | 5.5 | 12.7 | Real Estate Mgmt. & Development | 30.3 | 41.6 | 44.2 |
| | | | | | | | | | | | Retail REITs | 15.5 | 14.8 | 13.4 | | | | |
| 9.9% | 6.2% | Consumer Discretionary | 43.6 | 30.7 | 27.4 | Automobile Components | 14 | 12.3 | 10.4 | Distributors | 15 | 15.8 | 15.3 | Automobiles | 25 | 26.4 | 29.0 | |
| | | | | | | | | | | | Leisure Products | 16.1 | 24.8 | 18.6 | Household Durables | 14.4 | 14.4 | 15.0 |
| | | | | | | | | | | | Textiles Apparel & Luxury Goods | 24.0 | 26.6 | 19.6 | Broadline Retail | -8581 | 59.9 | 37.9 |
| | | | | | | | | | | | | | | Hotels Restaurants & Leisure | 66.2 | 25.0 | 23.7 | |
| | | | | | | | | | | | | | | Multiline Retail | | | | |
| | | | | | | | | | | | | | | Specialty Retail | 25.3 | 26.6 | 26.3 | |
| 31.9% | 28.1% | Information Technology | 42.0 | 41.6 | 35.0 | Software | 46.2 | 40.0 | 35.0 | Communications Equipment | 23.3 | 21.1 | 21.1 | Electronic Equipment | 21.3 | 28.5 | 25.3 | |
| | | | | | | IT Services | 28.8 | 26.6 | 25.5 | Technology Hardware Storage & P | 35.3 | 38.9 | 34.8 | Semiconductors | 53.2 | 54.9 | 39.5 | |
| Aggregate PE: DWS View | | | | | | | Overweight | 27.4 | 26.2 | 23.3 | Equalweight | 20.9 | 21.9 | 21.7 | Underweight | 34.7 | 32.1 | 27.8 |
| | S&P | | | | | | 5842 | | | | 2022, 2023& 2024 EPS | 217.69 | 223.00 | 245.00 | 2022, 2023 & 2024 PE | 26.8 | 26.2 | 23.8 |
| | | | | | | | | | | | Bottom-up Consensus EPS | 217.69 | 221.46 | 242.22 | Bottom-up Cons. PE | 26.8 | 26.4 | 24.1 |
| | | | | | | | | | | | | | | 2022, 2023 & 2024 Ex Energy PE | 27.5 | 27.5 | 24.7 | |
| | | | | | | | | | | | | | | Btm-up Cons. Ex Energy PE | 28.9 | 27.3 | 24.8 | |

| | |
|-------------|---------|
| Sector OW | 10.58% |
| Sector UW | -10.58% |
| Industry OW | 19.36% |
| Industry UW | -19.36% |

| | |
|--------------------------|--------|
| Macro tilts: | |
| Cyclicals | -3.73% |
| Defensive | 3.74% |
| Value (Financial+Energy) | 3.94% |
| Growth | 1.93% |
| Growth ex Health Care | -2.83% |
| Consumer | -4.57% |
| Services/experience | -0.76% |
| Disc. Goods | -2.99% |
| Retailing | -1.54% |
| Durables | -1.45% |
| Staples Goods/Retail | -0.82% |
| Commodity | 0.77% |
| Energy | 1.04% |
| Metals/Chemicals | -0.27% |
| Capex | 7.24% |
| Capacity additions | 3.44% |
| Productivity | 3.80% |
| Health Care | 4.76% |
| Innovation | 4.09% |
| Marketers | 1.97% |
| Insurers | -0.09% |
| Financials | 2.90% |
| Up rates/low spreads | 0.82% |
| Capital Markets | -0.15% |
| Insurance | 2.23% |
| Bond Substitutes | -0.44% |
| Weak FX \$ plays | -0.42% |
| High R&D plays | 3.06% |
| Transports | -1.18% |
| Geopolitical risk | 1.61% |
| Weak oil prices | -1.36% |
| Inflation shock | -0.06% |
| Stagflation Protection | 4.27% |
| Domestic GDP | -2.77% |
| Global GDP | -6.48% |
| Consumer TMT | -0.80% |
| Trade sensitive | -3.46% |

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

Price as of 10/16/2024

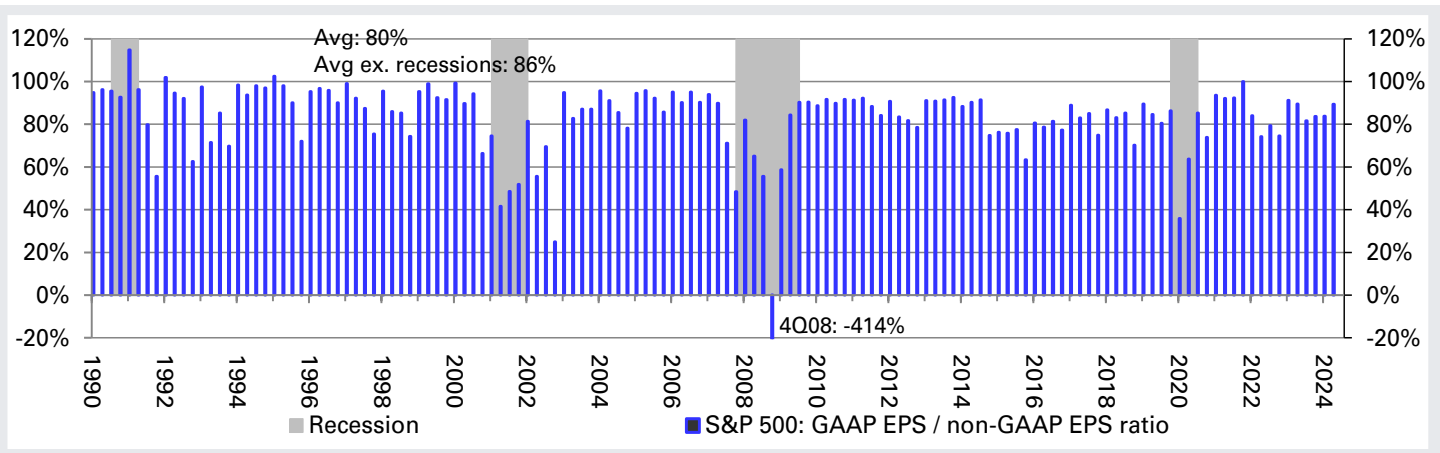
Source: DWS Investment Management GmbH. Past performance may not be indicative of future results.

2024 presidential election poll in the top battlegrounds: Trump vs. Harris

| RCP AVERAGE | DATE | TRUMP (R) | HARRIS (D) | SPREAD |
|--------------------------|--------------|-------------|-------------|-------------------|
| Top Battlegrounds | 10/17 | 48.2 | 47.5 | Trump +0.7 |
| Arizona | October 17th | 48.4 | 47.3 | Trump +1.1 |
| Nevada | October 17th | 47.7 | 47.2 | Trump +0.5 |
| Wisconsin | October 17th | 48.0 | 48.3 | Harris +0.3 |
| Michigan | October 17th | 48.3 | 47.3 | Trump +1.0 |
| Pennsylvania | October 17th | 47.9 | 47.4 | Trump +0.5 |
| North Carolina | October 17th | 48.7 | 47.5 | Trump +1.2 |
| Georgia | October 17th | 48.7 | 47.8 | Trump +0.9 |

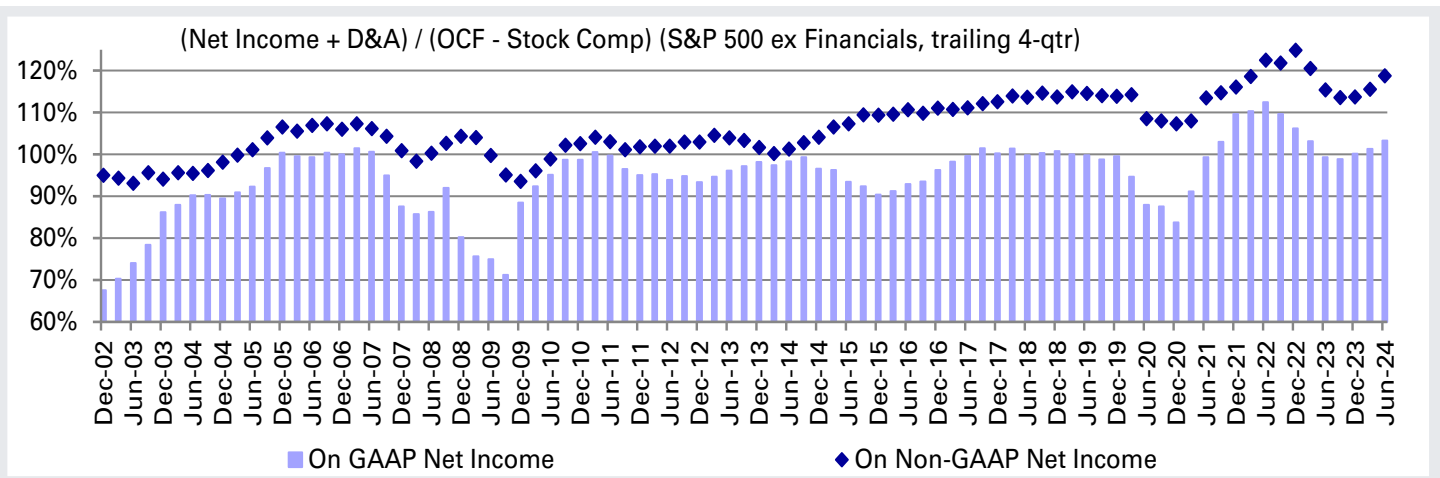
Source: RealClearPolitics, DWS Investment GmbH as of 10/17/2024. Past performance may not be indicative of future results.

S&P 500 GAAP EPS / non-GAAP EPS ratio



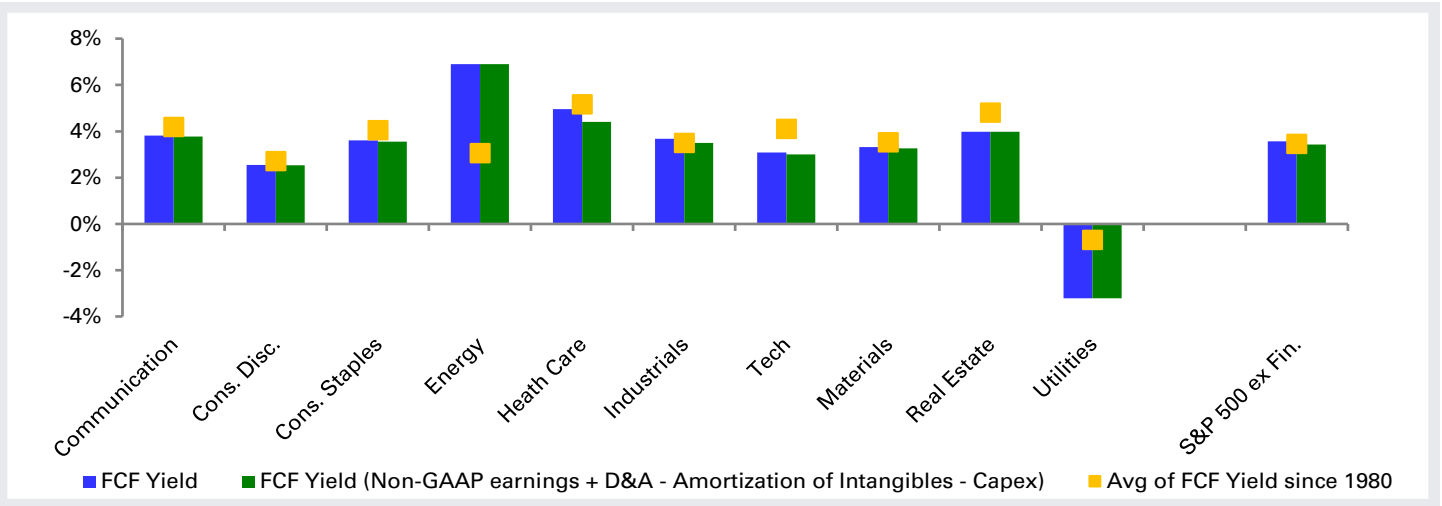
Source: IBES, Haver, DWS Investment GmbH as of 10/16/2024. Past performance may not be indicative of future results.

S&P 500 ex Financials: (Net Income + D&A) / (OCF - Stock Compensation): Non GAAP net income appears to be further overstating



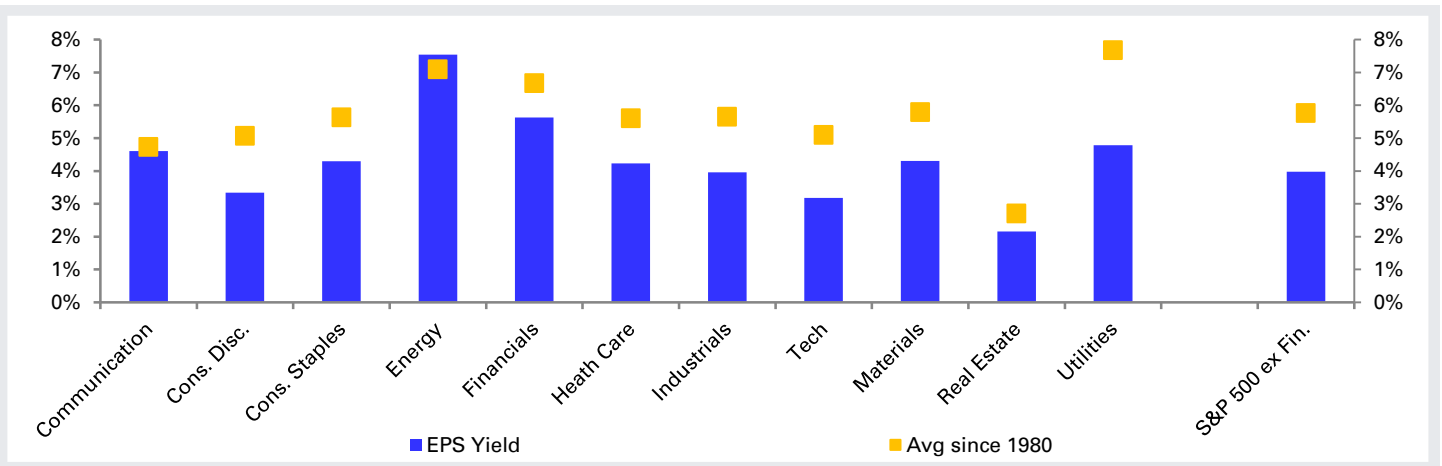
Source: Clarifi, DWS Investment GmbH as of 10/16/2024. Past performance may not be indicative of future results.

S&P 500 FCF yield by sector: $FCF = \text{Non GAAP Earnings} + D\&A - CAPEX$ (This often adds back amortization of intangibles twice).



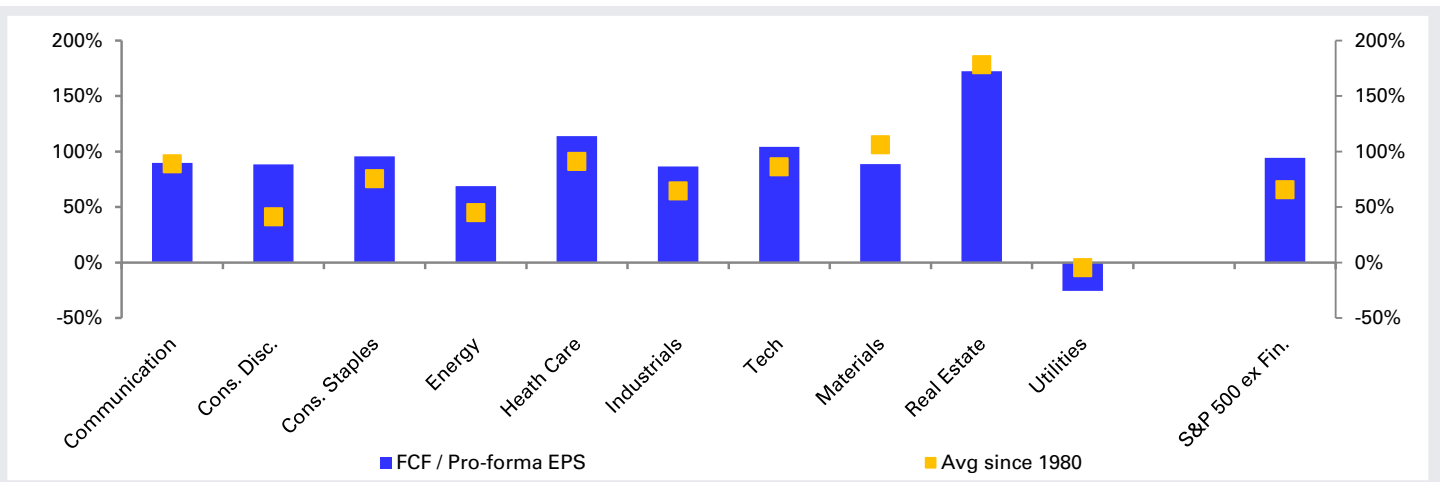
Source: Clarifi, DWS Investment GmbH as of 10/16/2024. Past performance may not be indicative of future results.

S&P 500 EPS yield by sector



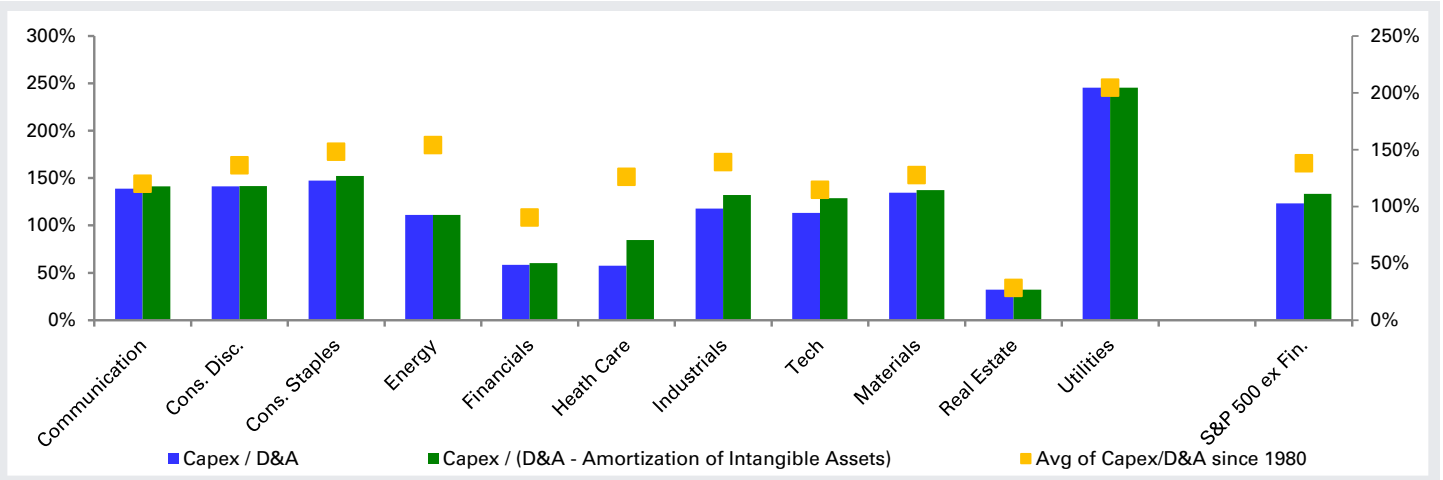
Source: Clarifi, DWS Investment GmbH as of 10/16/2024. Past performance may not be indicative of future results.

S&P 500 FCF per share / EPS by sector



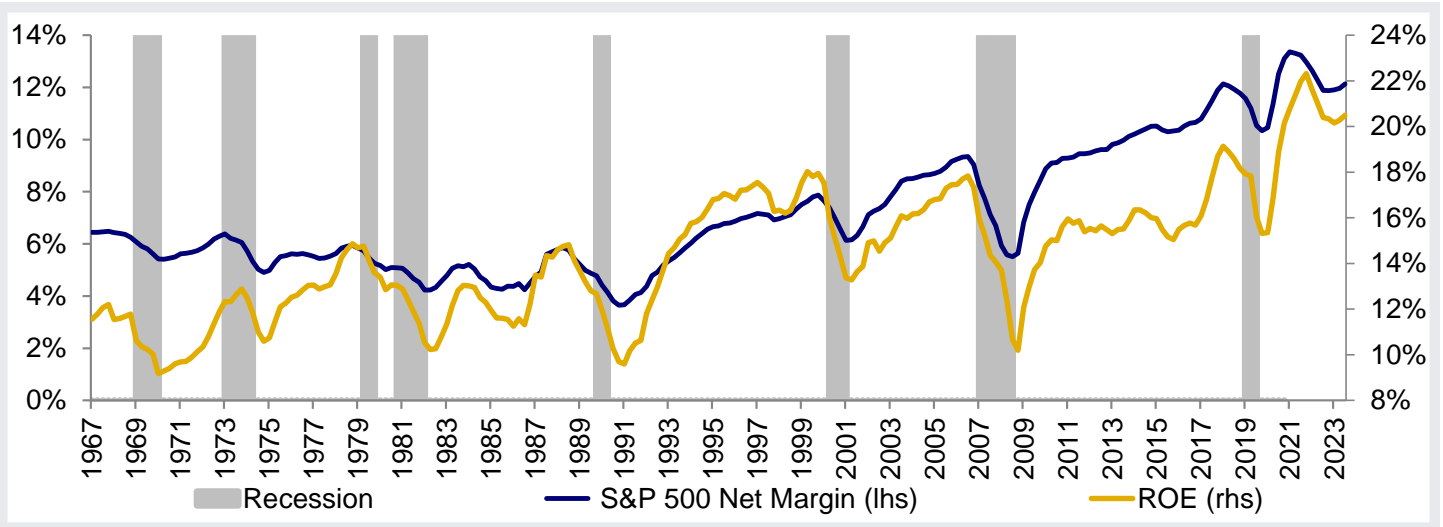
Source: Clarifi, DWS Investment GmbH as of 10/16/2024. Past performance may not be indicative of future results.

S&P 500 gross investment spending (capex) vs. depreciation and amortizations (accounting based maintenance capex estimates)



Source: Clarifi, DWS Investment GmbH as of 10/16/2024. Past performance may not be indicative of future results.

S&P 500 ROE vs. net margin



Source: Clarifi, DWS Investment GmbH as of 10/16/2024. Past performance may not be indicative of future results.

S&P 500 companies whose Amortization of Intangible Assets are 10%+ of their non-GAAP EPS

| Ticker | Name | Sector | Industry | Amortization of Intangible Assets (LTM) | Pro-forma EPS (LTM) | Amortization of Intangible Assets / Pro-forma EPS |
|----------|---|------------------------|---|---|---------------------|---|
| BMJ-US | Bristol-Myers Squibb Co | Health Care | Pharmaceuticals | 4.63 | 1.37 | 338% |
| RVTY-US | Revvity, Inc. | Health Care | Life Sciences Tools & Services | 2.93 | 4.63 | 63% |
| AMD-US | Advanced Micro Devices Inc | Information Technology | Semiconductors & Semiconductor Equipment | 1.55 | 2.78 | 56% |
| STE-US | STERIS PLC | Health Care | Health Care Equipment & Supplies | 4.88 | 8.86 | 55% |
| COO-US | Cooper Companies Inc | Health Care | Health Care Equipment & Supplies | 1.3825 | 3.528 | 39% |
| DAY-US | Dayforce, Inc. | Industrials | Professional Services | 0.69 | 1.78 | 39% |
| BDX-US | Becton Dickinson and Co | Health Care | Health Care Equipment & Supplies | 4.94 | 12.77 | 39% |
| TRMB-US | Trimble Inc. | Information Technology | Electronic Equipment Instruments & Components | 0.91 | 2.57 | 35% |
| BAX-US | Baxter International Inc | Health Care | Health Care Equipment & Supplies | 0.99 | 2.89 | 34% |
| GEN-US | Gen Digital Inc. | Information Technology | Software | 0.69 | 2.02 | 34% |
| FTV-US | Fortive Corp | Industrials | Machinery | 1.17 | 3.59 | 33% |
| GILD-US | Gilead Sciences Inc | Health Care | Biotechnology | 1.48 | 4.7 | 31% |
| RTX-US | Raytheon Technologies Corp | Industrials | Aerospace & Defense | 1.63 | 5.29 | 31% |
| ROP-US | Roper Industries Inc | Information Technology | Software | 5.29 | 17.58 | 30% |
| LHX-US | L3Harris Technologies Inc | Industrials | Aerospace & Defense | 3.49 | 12.84 | 27% |
| DHR-US | Danaher Corp | Health Care | Life Sciences Tools & Services | 2.1 | 7.75 | 27% |
| TFX-US | Teleflex Inc | Health Care | Health Care Equipment & Supplies | 3.68 | 13.65 | 27% |
| FIS-US | Fidelity National Information Services Inc | Financials | Financial Services | 1.17 | 4.34 | 27% |
| PWR-US | Quanta Services Inc | Industrials | Construction & Engineering | 2.04 | 7.59 | 27% |
| FI-US | Fiserv, Inc. | Financials | Financial Services | 2.17 | 8.16 | 27% |
| TMO-US | Thermo Fisher Scientific Inc | Health Care | Life Sciences Tools & Services | 5.73 | 21.84 | 26% |
| XYL-US | Xylem Inc | Industrials | Machinery | 1.03 | 3.97 | 26% |
| ABBV-US | AbbVie Inc | Health Care | Biotechnology | 2.77 | 10.7 | 26% |
| HOLX-US | Hologic Inc | Health Care | Health Care Equipment & Supplies | 1.02 | 3.96 | 26% |
| INTC-US | Intel Corp | Information Technology | Semiconductors & Semiconductor Equipment | 0.28 | 1.15 | 24% |
| EMR-US | Emerson Electric Co | Industrials | Electrical Equipment | 1.23 | 5.3 | 23% |
| ABT-US | ABBOTT LABORATORIES | Health Care | Health Care Equipment & Supplies | 1 | 4.45 | 22% |
| BR-US | Broadridge Financial Solutions Inc | Industrials | Professional Services | 1.68 | 7.74 | 22% |
| BSX-US | Boston Scientific Corp | Health Care | Health Care Equipment & Supplies | 0.48 | 2.23 | 22% |
| ZBH-US | Zimmer Biomet Holdings Inc | Health Care | Health Care Equipment & Supplies | 1.67 | 7.8 | 21% |
| CVS-US | CVS Health Corp | Health Care | Health Care Providers & Services | 1.58 | 7.47 | 21% |
| MDT-US | Medtronic Inc | Health Care | Health Care Equipment & Supplies | 1.07 | 5.24 | 20% |
| CRM-US | Salesforce.com Inc | Information Technology | Software | 1.89 | 9.4 | 20% |
| COR-US | Cencora, Inc. | Health Care | Health Care Providers & Services | 2.47 | 13.28 | 19% |
| WBA-US | Walgreens Boots Alliance Inc | Consumer Staples | Consumer Staples Distribution & Retail | 0.58 | 3.16 | 18% |
| WAB-US | Wabtec Corp | Industrials | Machinery | 1.24 | 7.09 | 17% |
| PH-US | Parker Hannifin Corp | Industrials | Machinery | 4.43 | 25.39 | 17% |
| IEX-US | IDEX Corp | Industrials | Machinery | 1.26 | 7.89 | 16% |
| TDY-US | Teledyne Technologies Incorporated | Information Technology | Electronic Equipment Instruments & Components | 3.13 | 19.62 | 16% |
| AME-US | Ametek Inc | Industrials | Electrical Equipment | 1.02 | 6.62 | 15% |
| SWKS-US | Skyworks Solutions Inc | Information Technology | Semiconductors & Semiconductor Equipment | 1.03 | 6.93 | 15% |
| IBM-US | International Business Machines Corporation | Information Technology | IT Services | 1.5 | 10.18 | 15% |
| PTC-US | PTC Inc. | Information Technology | Software | 0.68 | 4.75 | 14% |
| J-US | Jacobs Engineering Group Inc | Industrials | Professional Services | 1.1 | 7.85 | 14% |
| DOV-US | Dover Corp | Industrials | Machinery | 1.25 | 9.11 | 14% |
| ANSS-US | ANSYS Inc | Information Technology | Software | 1.26 | 9.24 | 14% |
| IR-US | Ingersoll-Rand PLC | Industrials | Machinery | 0.44 | 3.24 | 14% |
| BIIB-US | Biogen Idec Inc | Health Care | Biotechnology | 2.25 | 16.61 | 14% |
| KVUE-US | Kenvue, Inc. | Consumer Staples | Personal Care Products | 0.16 | 1.22 | 13% |
| INTU-US | Intuit Inc | Information Technology | Software | 2.21 | 16.97 | 13% |
| CTVA-US | Corteva Inc | Materials | Chemicals | 0.33 | 2.64 | 13% |
| LDOS-US | Leidos Holdings Inc | Industrials | Professional Services | 1.1 | 8.94 | 12% |
| ALLE-US | Allegion PLC | Industrials | Building Products | 0.84 | 7.13 | 12% |
| SYK-US | Stryker Corp | Health Care | Health Care Equipment & Supplies | 1.29 | 11.23 | 11% |
| KEYS-US | Keysight Technologies Inc | Information Technology | Electronic Equipment Instruments & Components | 0.71 | 6.6 | 11% |
| CSCO-US | Cisco Systems Inc | Information Technology | Communications Equipment | 0.4 | 3.73 | 11% |
| CMCSA-US | Comcast Corp | Communication Services | Media | 0.44 | 4.17 | 11% |
| HPE-US | Hewlett Packard Enterprise Development LP | Information Technology | Technology Hardware Storage & Peripherals | 0.2 | 1.92 | 10% |
| NDSN-US | Nordson Corporation | Industrials | Machinery | 0.97 | 9.42 | 10% |
| DELL-US | Dell Technologies, Inc. Class B | Information Technology | Technology Hardware Storage & Peripherals | 0.74 | 7.24 | 10% |
| IT-US | Gartner Inc | Information Technology | IT Services | 1.17 | 11.75 | 10% |
| HPQ-US | Hewlett-Packard Co | Information Technology | Technology Hardware Storage & Peripherals | 0.33 | 3.36 | 10% |

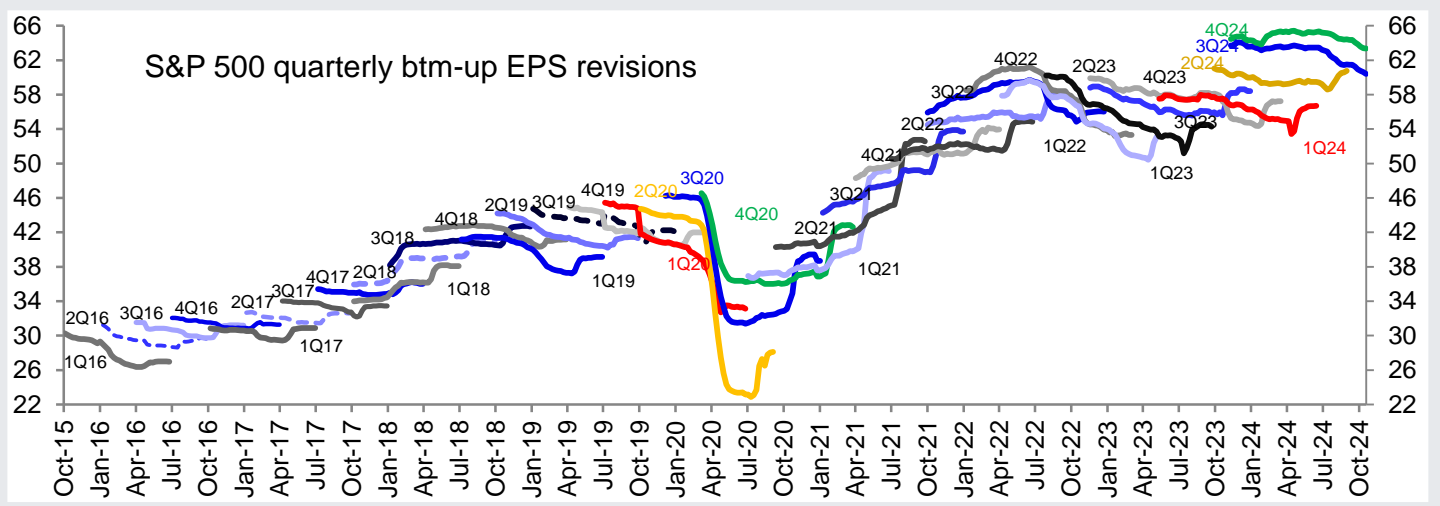
Source: Clarifi, DWS Investment GmbH as of 10/16/2024. Past performance may not be indicative of future results. Any mentions of specific securities are for illustrative purpose only and should not be considered as a recommendation.

S&P 500 3Q2024 earnings season summary statistics

| | 3Q24 Summary (Based on reported companies) | | | | | | | | | |
|---------------------------------------|--|----------------|-----------------|------------|------------------|-------------|-------------------|------------|--------------------|---------------|
| | % of EPS reported | # Cos reported | EPS (% of co's) | | EPS surprise (%) | EPS y/y (%) | Sales (% of co's) | | Sales surprise (%) | Sales y/y (%) |
| | | | % beat | % miss | | | % beat | % miss | | |
| S&P 500 | 14.1% | 41 | 88% | 12% | 5.7% | 4.6% | 59% | 29% | 1.0% | 0.9% |
| S&P 500 ex. Financials & Real Est | 9.1% | 30 | 83% | 17% | 3.9% | 7.9% | 53% | 33% | 0.7% | 4.1% |
| S&P 500 ex. Energy | 14.9% | 41 | 88% | 12% | 5.7% | 4.6% | 59% | 29% | 1.0% | 0.9% |
| S&P ex. Tech | 16.2% | 36 | 86% | 14% | 6.0% | 0.2% | 53% | 33% | 1.0% | 0.3% |
| S&P ex. Energy, Financials & Real Est | 9.7% | 30 | 83% | 17% | 3.9% | 7.9% | 53% | 33% | 0.7% | 4.1% |
| Communication Services | 0.8% | 1 | 100% | 0% | 0.5% | 9.1% | 100% | 0% | 2.3% | 8.5% |
| Consumer Discretionary | 10.0% | 7 | 71% | 29% | 11.0% | 8.3% | 57% | 43% | 1.1% | 2.2% |
| Consumer Staples | 23.3% | 8 | 88% | 13% | 2.5% | 0.1% | 38% | 50% | 0.4% | 1.6% |
| Energy | 0.0% | 0 | | | | | | | | |
| Financials | 38.2% | 11 | 100% | 0% | 7.6% | 1.3% | 73% | 18% | 1.9% | -7.5% |
| Health Care | 19.5% | 2 | 100% | 0% | 5.9% | -0.4% | 100% | 0% | 1.6% | 8.4% |
| Industrials | 9.8% | 7 | 71% | 29% | -5.9% | -15.5% | 14% | 43% | -1.0% | -1.0% |
| Information Technology | 6.8% | 5 | 100% | 0% | 3.0% | 65.9% | 100% | 0% | 1.1% | 9.4% |
| Materials | 0.0% | 0 | | | | | | | | |
| Real Estate | 0.0% | 0 | | | | | | | | |
| Utilities | 0.0% | 0 | | | | | | | | |
| Great 8 * | 0.0% | 0 | | | | | | | | |
| S&P ex Great 8 | 18.1% | 41 | 88% | 12% | 5.7% | 4.6% | 59% | 29% | 1.0% | 0.9% |

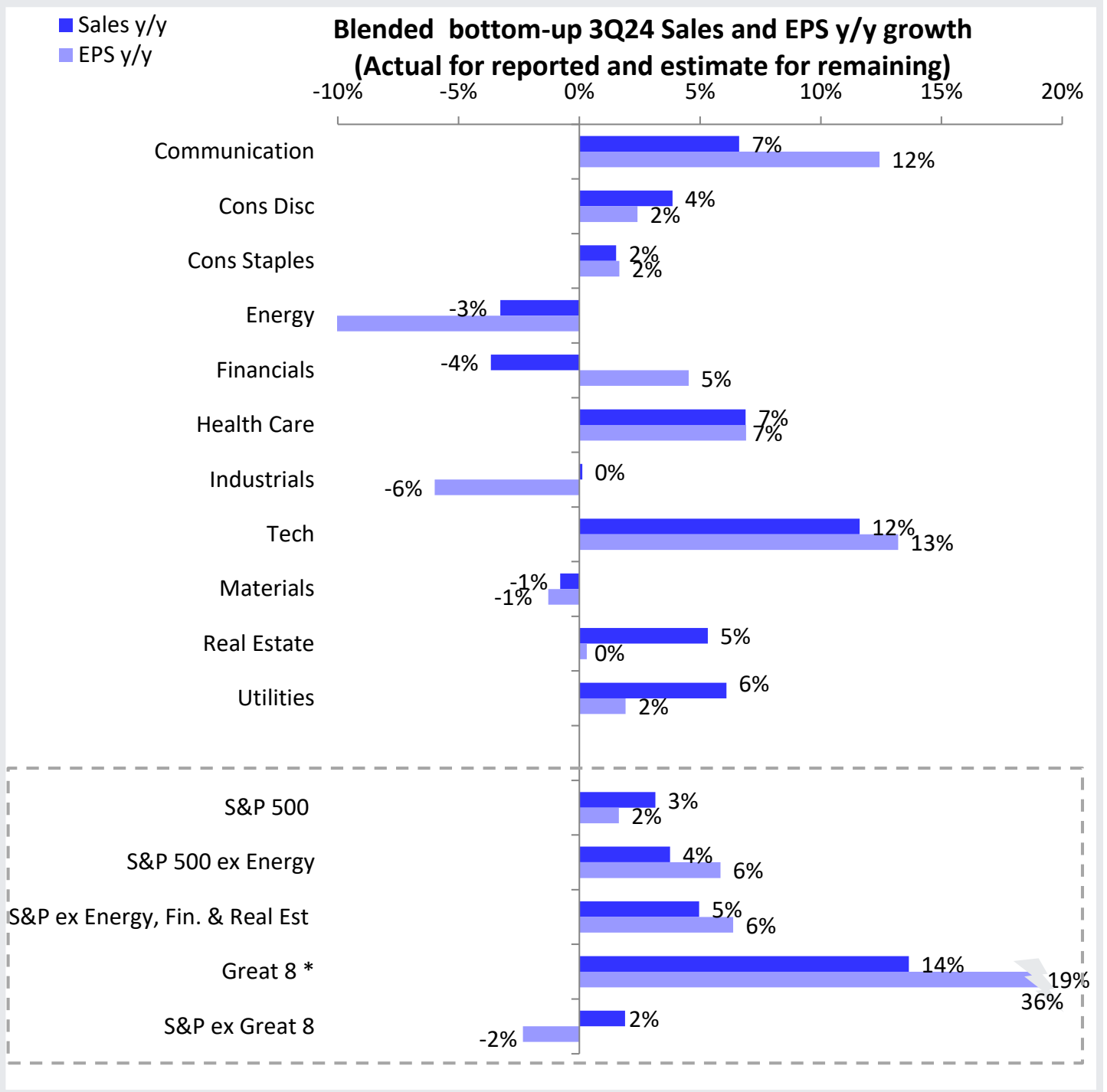
Source: Factset, DWS Investment GmbH as of 10/16/2024. Past performance may not be indicative of future results.

S&P 500 quarterly EPS revision



Source: Factset, DWS Investment GmbH as of 10/16/2024. Past performance may not be indicative of future results.

S&P 500 3Q sales and EPS y/y growth by sector



Source: Factset, DWS Investment GmbH as of 10/16/2024. 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 | 2023A | y/y | 2014-2023 CAGR | Bottom-up Consensus (IBES) | | | | DWS View | | | | Normalized 2024 | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------|-------------------|----------------------------|-------------|---------------|--------------|---------------|--------------|---------------|-------------|-----------------|-------------|
| | | | | | | | | | | | | | 2024E | y/y | 2025E | y/y | 2024E | y/y | 2025E | 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 | \$221.36 | 1.5% | 7.2% | | | | | | | | | | |
| S&P 500 EPS (current constituents) | \$116.65 | \$116.91 | \$117.56 | \$131.11 | \$157.84 | \$159.30 | \$143.13 | \$217.76 | \$217.69 | \$221.46 | 1.7% | 7.4% | \$242 | 9.3% | \$277 | 14.3% | \$245 | 10.4% | \$270 | 9.9% | \$250 | 102% |
| Sector (\$ bn) | | | | | | | | | | | | | | | | | | | | | | |
| Communication Services | 66.5 | 76.8 | 89.0 | 97.0 | 121.3 | 128.1 | 132.1 | 183.9 | 143.8 | 172.7 | 20.1% | 11.2% | 206.1 | 19.3% | 240.2 | 16.6% | 207.0 | 19.8% | 238.5 | 15.2% | 210.2 | 102% |
| Consumer Discretionary | 56.8 | 67.2 | 74.8 | 79.0 | 94.1 | 92.4 | 62.7 | 121.7 | 111.2 | 155.4 | 39.7% | 11.8% | 175.6 | 13.0% | 197.4 | 12.4% | 177.0 | 13.9% | 194.5 | 9.9% | 181.3 | 102% |
| Consumer Staples | 84.3 | 83.1 | 85.9 | 90.2 | 97.3 | 98.3 | 105.7 | 118.3 | 112.0 | 125.5 | 12.0% | 4.5% | 128.2 | 2.2% | 136.2 | 6.3% | 126.5 | 0.8% | 132.5 | 4.7% | 123.8 | 98% |
| Energy | 94.9 | 40.0 | 10.8 | 37.2 | 69.3 | 48.1 | -6.6 | 76.7 | 195.3 | 138.5 | -29.1% | 4.3% | 113.6 | -18.0% | 123.1 | 8.4% | 130.0 | -6.2% | 141.0 | 8.5% | 118.0 | 91% |
| Financials | 183.2 | 198.8 | 202.7 | 211.9 | 260.9 | 274.8 | 224.9 | 361.0 | 306.9 | 332.0 | 8.2% | 6.8% | 369.4 | 11.2% | 402.3 | 8.9% | 368.0 | 10.8% | 390.0 | 6.0% | 357.3 | 97% |
| Health Care | 137.2 | 152.1 | 156.9 | 171.2 | 187.8 | 205.6 | 226.2 | 292.0 | 308.0 | 243.6 | -20.9% | 6.6% | 269.4 | 10.6% | 313.2 | 16.3% | 276.5 | 13.5% | 305.0 | 10.3% | 277.7 | 100% |
| Industrials | 96.2 | 97.5 | 94.6 | 104.3 | 128.2 | 111.0 | 70.4 | 116.8 | 134.3 | 158.5 | 18.1% | 5.7% | 162.9 | 2.7% | 191.3 | 17.4% | 169.5 | 6.9% | 188.0 | 10.9% | 173.3 | 102% |
| Information Technology | 162.5 | 168.9 | 174.2 | 208.6 | 243.5 | 238.4 | 271.0 | 446.5 | 375.3 | 388.1 | 3.4% | 10.2% | 458.6 | 18.2% | 555.0 | 21.0% | 450.5 | 16.1% | 510.0 | 13.2% | 495.6 | 110% |
| Materials | 24.5 | 23.0 | 22.0 | 28.7 | 35.8 | 33.6 | 32.0 | 62.1 | 64.5 | 49.6 | -23.2% | 8.1% | 47.2 | -4.8% | 56.0 | 18.8% | 46.5 | -6.2% | 49.8 | 7.1% | 45.9 | 99% |
| Real Estate | 22.1 | 23.8 | 27.7 | 31.1 | 34.9 | 36.4 | 36.3 | 43.2 | 50.6 | 52.9 | 4.5% | 10.2% | 53.9 | 1.9% | 56.7 | 5.2% | 55.0 | 4.0% | 56.0 | 1.7% | 53.1 | 97% |
| Utilities | 32.9 | 33.1 | 35.7 | 37.5 | 40.8 | 45.8 | 47.5 | 48.1 | 49.5 | 54.0 | 9.0% | 5.6% | 60.9 | 12.8% | 66.5 | 9.2% | 59.5 | 10.2% | 65.0 | 9.3% | 63.7 | 107% |
| S&P 500 | 961.1 | 964.4 | 974.3 | 1096.7 | 1313.9 | 1312.6 | 1202.3 | 1870.4 | 1851.5 | 1870.9 | 1.0% | 7.7% | 2045.7 | 9.3% | 2338.0 | 14.3% | 2066.0 | 10.4% | 2270.3 | 9.9% | 2099.8 | 102% |
| S&P ex. Energy (\$bn) | 866.3 | 924.3 | 963.5 | 1059.5 | 1244.5 | 1264.5 | 1208.9 | 1793.7 | 1656.2 | 1732.3 | 4.6% | 8.0% | 1932.1 | 11.5% | 2214.8 | 14.6% | 1936.0 | 11.8% | 2129.3 | 10.0% | 1981.8 | 102% |
| S&P ex. Tech (\$bn) | 798.6 | 795.5 | 800.1 | 888.1 | 1070.4 | 1074.2 | 931.2 | 1423.9 | 1476.2 | 1482.7 | 0.4% | 7.1% | 1587.1 | 7.0% | 1783.0 | 12.3% | 1615.5 | 9.0% | 1760.3 | 9.0% | 1604.2 | 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 | \$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 (pre-pandemic) | 16.7 | 1.9 | 18.8 | 14.2 |

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 3/31/2024. FFO is used for REITs instead of EPS.

Source: Factset, DWS Investment GmbH as of 10/15/2024. 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 ~5.40% 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) | Fair PE on Normal 2024E EPS | 2024 End Upside % | 2024 End Upside vs. S&P 500 |
|---|---------------------|-----------------|-----------------------|--------------|-----------------------|-------------------------------|-------------------------|-----------------------|-----------|----------|--------------------|----------------|------------------------------|----------------------|----------------------------|-----------------------------|-------------------|-----------------------------|
| Communication Services | 4,501 | 21.7 | 207.0 | 102% | 210.2 | -5% | 199.7 | 11% | 0.83 | 5.30% | 3,768 | 20% | 4,521 | 0.8% | 4,839 | 23.0 | 8% | 16% |
| Consumer Discretionary | 4,850 | 27.4 | 177.0 | 102% | 181.3 | -7% | 168.6 | 10% | 0.76 | 5.40% | 3,122 | 34% | 4,194 | 1.0% | 4,484 | 24.7 | -8% | 1% |
| <i>Automobiles</i> | 725 | 29.0 | 25.0 | 100% | 25.0 | -10% | 22.5 | 32% | 0.99 | 6.00% | 375 | 40% | 525 | 0.4% | 568 | 22.7 | -22% | -13% |
| <i>Broadline (Internet) Retail</i> | 1,707 | 37.9 | 45.0 | 110% | 49.5 | -5% | 47.0 | 0% | 0.18 | 5.20% | 904 | 75% | 1,583 | 0.0% | 1,704 | 34.4 | 0% | 9% |
| <i>ex. Auto & Broadline (Internet) Retail</i> | 2,418 | 22.6 | 107.0 | 100% | 106.8 | -7% | 99.1 | 13% | 0.78 | 5.38% | 1,843 | 13% | 2,087 | 1.4% | 2,223 | 20.8 | -8% | 1% |
| Consumer Staples | 2,655 | 21.0 | 126.5 | 98% | 123.8 | -6% | 116.3 | 14% | 0.84 | 5.00% | 2,327 | 5% | 2,443 | 2.7% | 2,561 | 20.7 | -4% | 5% |
| Energy | 1,776 | 13.7 | 130.0 | 91% | 118.0 | -10% | 106.2 | 14% | 0.90 | 6.00% | 1,770 | -15% | 1,505 | 2.0% | 1,602 | 13.6 | -10% | -1% |
| Financials | 6,743 | 18.3 | 368.0 | 97% | 357.3 | -7% | 330.6 | | 1.11 | 6.00% | 5,510 | -2% | 5,400 | 1.6% | 5,773 | 16.2 | -14% | -6% |
| <i>Banks</i> | 1,694 | 13.2 | 128.0 | 95% | 121.6 | -7% | 113.1 | | 1.11 | 7.00% | 1,616 | -10% | 1,454 | 2.4% | 1,557 | 12.8 | -8% | 1% |
| Health Care | 5,734 | 20.7 | 276.5 | 100% | 277.7 | -8% | 255.5 | 10% | 1.14 | 5.25% | 4,866 | 15% | 5,596 | 1.3% | 5,959 | 21.5 | 4% | 13% |
| Industrials | 4,161 | 24.6 | 169.5 | 102% | 173.3 | -5% | 164.7 | 15% | 0.88 | 5.45% | 3,021 | 10% | 3,323 | 1.4% | 3,540 | 20.4 | -15% | -6% |
| Information Technology | 15,747 | 35.0 | 450.5 | 110% | 495.6 | -2% | 485.7 | 2% | 0.95 | 5.20% | 9,340 | 35% | 12,609 | 0.7% | 13,493 | 27.2 | -14% | -6% |
| Materials | 1,187 | 25.5 | 46.5 | 99% | 45.9 | -7% | 42.7 | 16% | 0.90 | 5.60% | 763 | 10% | 839 | 1.2% | 897 | 19.5 | -24% | -16% |
| Real Estate | 1,055 | 19.2 | 55.0 | 97% | 53.1 | -10% | 47.8 | 35% | 1.79 | 5.30% | 902 | 0% | 902 | 3.3% | 943 | 17.7 | -11% | -2% |
| Utilities | 1,245 | 20.9 | 59.5 | 107% | 63.7 | -7% | 59.2 | 79% | -0.81 | 5.40% | 1,096 | 5% | 1,151 | 2.8% | 1,209 | 19.0 | -3% | 6% |
| S&P 500 (\$ bn) | 49,655 | 24.0 | 2066.0 | 102% | 2099.8 | -5.9% | 1976.9 | | | 5.40% | 36,484 | 16.4% | 42,482 | 1.2% | 45,300 | 21.6 | -9% | 0% |
| S&P 500 Index (\$/sh) | 5842 | 23.8 | 245.0 | 102% | 250.0 | -6.0% | 235.0 | 10% | 0.93 | 5.40% | 4,352 | 16.9% | 5,086 | 1.2% | 5,408 | 21.6 | -7% | 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 10/16/2024. 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 3/31/2024.

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) | Fair PE on Normal 2024 EPS | 2024 End Upside % | 2024 End Upside vs. S&P 500 |
|--|---------------------|-----------------|-----------------------|--------------|-----------------------|-------------------------------|-------------------------|-----------------------|-------------|--------------|--------------------|----------------|------------------------------|----------------------|----------------------------|----------------------------|-------------------|-----------------------------|
| CONSUMER DISCRETIONARY | 4,850 | 27.4 | 177.0 | 102% | 181.3 | -7.0% | 169 | 10% | 0.76 | 5.40% | 3,122 | 34.3% | 4,194 | 1.0% | 4,484 | 24.7 | -8% | 1% |
| Automobile Components | 27,066 | 10.4 | 2,600 | 100% | 2,600 | -10% | 2,340 | 26% | 1.00 | 7.00% | 33,429 | 0% | 33,429 | 0.4% | 36,481 | 14.0 | 35% | 44% |
| Automobiles | 724,981 | 29.0 | 25,000 | 100% | 25,000 | -10% | 22,500 | 32% | 0.29 | 6.00% | 375,000 | 40% | 525,000 | 0.4% | 567,562 | 22.7 | -22% | -13% |
| Distributors | 45,938 | 15.3 | 3,000 | 100% | 3,000 | -10% | 2,700 | 17% | 0.93 | 5.50% | 49,091 | 0% | 49,091 | 2.3% | 51,889 | 17.3 | 13% | 22% |
| Hotels Restaurants & Leisure | 924,490 | 23.7 | 39,000 | 100% | 39,000 | -5% | 37,050 | 18% | 0.79 | 5.20% | 712,500 | 20% | 855,000 | 1.3% | 909,798 | 23.3 | -2% | 7% |
| Household Durables | 209,338 | 15.0 | 14,000 | 100% | 14,000 | -15% | 11,900 | 0% | 0.99 | 6.50% | 183,077 | 0% | 183,077 | 0.7% | 198,274 | 14.2 | -5% | 3% |
| Broadline Retail | 1,706,900 | 37.9 | 45,000 | 110% | 49,500 | -5% | 47,025 | 0% | 0.89 | 5.20% | 904,327 | 75% | 1,582,572 | 0.0% | 1,703,941 | 34.4 | 0% | 9% |
| Leisure Products | 9,310 | 18.6 | 500 | 90% | 450 | -8% | 414 | 35% | 1.00 | 5.40% | 7,667 | 0% | 7,667 | 3.9% | 7,970 | 17.7 | -14% | -6% |
| Specialty Retail | 1,037,368 | 26.3 | 39,500 | 100% | 39,500 | -5% | 37,525 | 13% | 0.91 | 5.20% | 721,635 | 10% | 793,798 | 1.5% | 843,349 | 21.4 | -19% | -10% |
| Textiles Apparel & Luxury Goods | 164,931 | 19.6 | 8,400 | 98% | 8,232 | -7% | 7,656 | -2% | 0.97 | 5.35% | 143,098 | 15% | 164,563 | 1.4% | 175,254 | 21.3 | 6% | 15% |
| CONSUMER STAPLES | 2,655 | 21.0 | 126.5 | 98% | 123.8 | -6% | 116 | 14% | 0.84 | 5.00% | 2,327 | 5% | 2,443 | 2.7% | 2,561 | 20.7 | -4% | 5% |
| Beverages | 656,060 | 22.6 | 29,000 | 100% | 29,000 | -5% | 27,550 | 14% | 0.85 | 4.90% | 562,245 | 15% | 646,582 | 2.6% | 677,630 | 23.4 | 3% | 12% |
| Consumer Staples Distribution & Retail | 705,002 | 23.1 | 30,500 | 100% | 30,500 | -6% | 28,670 | 8% | 0.65 | 5.20% | 551,346 | 10% | 606,481 | 1.5% | 643,869 | 21.1 | -9% | 0% |
| Food Products | 363,314 | 16.3 | 22,300 | 95% | 21,185 | -7% | 19,702 | 28% | 0.87 | 5.10% | 386,315 | -5% | 366,999 | 3.0% | 383,817 | 18.1 | 6% | 14% |
| Household Products | 590,883 | 25.7 | 23,000 | 100% | 23,000 | -6% | 21,620 | 8% | 0.98 | 5.10% | 423,922 | 15% | 487,510 | 2.3% | 513,309 | 22.3 | -13% | -4% |
| Personal Care Products | 62,674 | 23.2 | 2,700 | 110% | 2,970 | -7% | 2,762 | 16% | 0.93 | 5.30% | 52,115 | 20% | 62,538 | 3.5% | 65,235 | 22.0 | 4% | 13% |
| Tobacco | 277,345 | 14.6 | 19,000 | 90% | 17,100 | -7% | 15,903 | 29% | 1.01 | 5.00% | 318,060 | -25% | 238,545 | 5.5% | 243,227 | 14.2 | -12% | -4% |
| Energy | 1,776 | 13.7 | 130.0 | 91% | 118.0 | -10% | 106 | 14% | 0.90 | 6.00% | 1,770 | -15% | 1,505 | 2.0% | 1,602 | 13.6 | -10% | -1% |
| Energy Equipment & Services | 124,461 | 12.4 | 10,000 | 100% | 10,000 | -10% | 9,000 | 13% | 0.91 | 6.75% | 133,333 | 5% | 140,000 | 2.4% | 149,579 | 15.0 | 20% | 29% |
| Oil Gas & Consumable Fuels | 1,651,587 | 13.8 | 120,000 | 90% | 108,000 | -10% | 97,200 | 14% | 0.90 | 6.00% | 1,620,000 | -20% | 1,296,000 | 3.0% | 1,367,609 | 12.7 | -17% | -8% |
| FINANCIALS | 6,743 | 18.3 | 368.0 | 97% | 357.3 | -7% | 331 | 0% | 1.11 | 6.00% | 5,510 | -2% | 5,400 | 1.6% | 5,773 | 16.2 | -14% | -6% |
| Capital Markets | 1,488,354 | 21.9 | 68,000 | 95% | 64,600 | -10% | 58,140 | 2% | 1.09 | 6.00% | 969,000 | 0% | 969,000 | 1.8% | 1,034,003 | 16.0 | -31% | -22% |
| Banks | 1,693,897 | 13.2 | 128,000 | 95% | 121,600 | -7% | 113,088 | N/A | 1.14 | 7.00% | 1,615,543 | -10% | 1,453,989 | 2.6% | 1,553,791 | 12.8 | -8% | 0% |
| Consumer Finance | 295,442 | 16.0 | 18,500 | 95% | 17,575 | -15% | 14,939 | N/A | 1.15 | 6.25% | 239,020 | -10% | 215,118 | 1.2% | 231,329 | 13.2 | -22% | -13% |
| Financial Services | 2,155,415 | 25.8 | 83,500 | 100% | 83,500 | -5% | 79,325 | 0% | 1.00 | 5.10% | 1,555,392 | 10% | 1,710,931 | 0.3% | 1,835,522 | 22.0 | -15% | -6% |
| Insurance | 1,109,867 | 15.9 | 70,000 | 100% | 70,000 | -7% | 65,100 | N/A | 1.14 | 5.75% | 1,132,174 | -5% | 1,075,565 | 1.3% | 1,150,320 | 16.4 | 4% | 12% |
| Health Care | 5,734 | 20.7 | 276.5 | 100% | 277.7 | -8% | 255 | 10% | 1.14 | 5.25% | 4,866 | 15% | 5,596 | 1.3% | 5,959 | 21.5 | 4% | 13% |
| Biotechnology | 910,241 | 22.8 | 40,000 | 107% | 42,800 | -10% | 38,520 | 13% | 1.33 | 5.50% | 700,364 | 20% | 840,436 | 2.2% | 889,554 | 20.8 | -2% | 6% |
| Health Care Equipment & Supplies | 1,124,622 | 26.2 | 43,000 | 105% | 45,150 | -7% | 41,990 | 8% | 1.14 | 5.00% | 839,790 | 25% | 1,049,738 | 1.0% | 1,118,151 | 24.8 | -1% | 8% |
| Health Care Providers & Services | 1,254,427 | 16.2 | 77,500 | 95% | 73,625 | -7% | 68,471 | 10% | 1.06 | 5.25% | 1,304,214 | 0% | 1,304,214 | 1.3% | 1,387,691 | 18.8 | 11% | 19% |
| Life Sciences Tools & Services | 598,904 | 28.5 | 21,000 | 105% | 22,050 | -5% | 20,948 | 10% | 1.18 | 5.25% | 399,000 | 20% | 478,800 | 0.3% | 514,541 | 23.3 | -14% | -5% |
| Pharmaceuticals | 1,846,165 | 19.4 | 95,000 | 99% | 94,050 | -10% | 84,645 | 11% | 1.27 | 5.25% | 1,612,286 | 15% | 1,854,129 | 2.1% | 1,958,062 | 20.8 | 6% | 15% |
| INDUSTRIALS | 4,161 | 24.6 | 169.5 | 102% | 173.3 | -5% | 165 | 15% | 0.88 | 5.45% | 3,021 | 10% | 3,323 | 1.4% | 3,540 | 20.4 | -15% | -6% |
| Aerospace & Defense | 978,810 | 32.6 | 30,000 | 115% | 34,500 | -5% | 32,775 | 17% | 1.09 | 5.20% | 630,288 | 15% | 724,832 | 1.1% | 772,354 | 22.4 | -21% | -12% |
| Air Freight & Logistics | 199,995 | 17.4 | 11,500 | 95% | 10,925 | -5% | 10,379 | 15% | 0.71 | 5.60% | 185,335 | 0% | 185,335 | 3.3% | 194,308 | 17.8 | -3% | 6% |
| Passenger Airlines | 76,696 | 8.8 | 8,700 | 90% | 7,830 | -15% | 6,656 | 71% | 0.07 | 10.0% | 66,555 | 0% | 66,555 | 1.1% | 74,166 | 9.5 | -3% | 5% |
| Building Products | 282,857 | 25.7 | 11,000 | 95% | 10,450 | -5% | 9,928 | 15% | 1.07 | 5.40% | 183,843 | 10% | 202,227 | 1.0% | 216,080 | 20.7 | -24% | -15% |
| Commercial Services & Supplies | 215,573 | 28.4 | 7,600 | 100% | 7,600 | 0% | 7,600 | 10% | 0.86 | 5.10% | 149,020 | 10% | 163,922 | 1.1% | 174,584 | 23.0 | -19% | -10% |
| Construction & Engineering | 45,413 | 37.8 | 1,200 | 110% | 1,320 | -5% | 1,254 | 8% | 1.18 | 5.25% | 23,886 | 15% | 27,469 | 0.1% | 29,565 | 22.4 | -35% | -26% |

Source: IBES, DWS Investment GmbH as of 10/16/2024. 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 3/31/2024.

The estimated 2024 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 ~5.50% 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) | Fair PE on Normal 2024 EPS | 2024 End Upside % | 2024 End Upside vs. S&P 500 |
|---|---------------------|-----------------|-----------------------|--------------|-----------------------|-------------------------------|-------------------------|-----------------------|--------------|--------------|--------------------|----------------|------------------------------|----------------------|----------------------------|----------------------------|-------------------|-----------------------------|
| Electrical Equipment | 307,339 | 25.6 | 12,000 | 110% | 13,200 | -5% | 12,540 | 6% | N/A | 5.25% | 238,857 | 20% | 286,629 | 1.2% | 305,309 | 23.1 | -1% | 8% |
| Industrial Conglomerates | 225,522 | 21.5 | 10,500 | 100% | 10,500 | -5% | 9,975 | 13% | 1.05 | 5.25% | 190,000 | 5% | 199,500 | 2.0% | 210,997 | 20.1 | -6% | 2% |
| Machinery | 859,544 | 20.0 | 43,000 | 100% | 43,000 | -5% | 40,850 | 19% | 0.96 | 5.60% | 729,464 | 5% | 765,938 | 1.3% | 817,911 | 19.0 | -5% | 4% |
| Professional Services | 329,300 | 28.6 | 11,500 | 100% | 11,500 | 0% | 11,500 | 6% | 1.09 | 5.25% | 219,048 | 15% | 251,905 | 1.5% | 267,764 | 23.3 | -19% | -10% |
| Ground Transportation | 484,264 | 29.3 | 16,500 | 100% | 16,500 | -9% | 15,015 | 16% | 0.65 | 5.00% | 300,300 | 10% | 330,330 | 1.2% | 351,181 | 21.3 | -27% | -19% |
| Trading Companies & Distributors | 155,974 | 26.0 | 6,000 | 100% | 6,000 | -5% | 5,700 | 11% | 0.78 | 5.40% | 105,556 | 10% | 116,111 | 1.1% | 124,032 | 20.7 | -20% | -12% |
| INFORMATION TECHNOLOGY | 15,747 | 35.0 | 450.5 | 110% | 495.6 | -2% | 486 | 2% | 0.95 | 5.20% | 9,340 | 35% | 12,609 | 0.7% | 13,493 | 27.2 | -14% | -6% |
| Communications Equipment | 443,369 | 21.1 | 21,000 | 100% | 21,000 | -7% | 19,530 | -4% | 1.07 | 5.25% | 372,000 | 5% | 390,600 | 1.7% | 414,361 | 19.7 | -7% | 2% |
| Technology Hardware Storage & Peripherals | 3,893,434 | 34.8 | 112,000 | 105% | 117,600 | -1% | 116,424 | 2% | 1.03 | 5.00% | 2,328,480 | 25% | 2,910,600 | 0.5% | 3,115,075 | 26.5 | -20% | -11% |
| Electronic Equipment Instruments & Components | 290,539 | 25.3 | 11,500 | 100% | 11,500 | -7% | 10,695 | 9% | 1.07 | 5.50% | 194,455 | 15% | 223,623 | 1.0% | 239,346 | 20.8 | -18% | -9% |
| IT Services | 598,090 | 25.5 | 23,500 | 105% | 24,675 | -3% | 23,935 | 8% | 1.18 | 5.00% | 478,695 | 20% | 574,434 | 1.7% | 607,474 | 24.6 | 2% | 10% |
| Semiconductors & Semiconductor Equipment | 5,625,499 | 39.5 | 142,500 | 120% | 171,000 | -5% | 162,450 | 2% | 0.92 | 5.60% | 2,900,893 | 35% | 3,916,205 | 0.5% | 4,214,661 | 24.6 | -25% | -16% |
| Software | 4,895,695 | 35.0 | 140,000 | 107% | 149,800 | 2% | 152,796 | 1% | 0.90 | 5.00% | 3,055,920 | 50% | 4,583,880 | 0.6% | 4,899,075 | 32.7 | 0% | 9% |
| MATERIALS | 1,187 | 25.5 | 46.5 | 99% | 45.9 | -7% | 43 | 16% | 0.90 | 5.60% | 763 | 10% | 839 | 1.2% | 897 | 19.5 | -24% | -16% |
| Chemicals | 752,161 | 24.9 | 30,200 | 100% | 30,200 | -5% | 28,690 | 17% | 0.81 | 5.50% | 521,636 | 15% | 599,882 | 1.7% | 637,674 | 21.1 | -15% | -6% |
| Construction Materials | 69,385 | 30.2 | 2,300 | 95% | 2,185 | -10% | 1,967 | 7% | 0.82 | 5.75% | 34,200 | 0% | 34,200 | 0.6% | 36,807 | 16.8 | -47% | -38% |
| Containers & Packaging | 190,248 | 38.8 | 4,900 | 100% | 4,900 | -10% | 4,410 | 31% | 1.12 | 5.50% | 80,182 | 0% | 80,182 | 1.8% | 85,161 | 17.4 | -55% | -46% |
| Metals & Mining | 175,587 | 19.3 | 9,100 | 95% | 8,645 | -10% | 7,781 | 7% | 0.62 | 6.00% | 129,675 | 0% | 129,675 | 1.6% | 138,640 | 16.0 | -21% | -12% |
| REAL ESTATE | 1,055 | 19.2 | 55.0 | 97% | 53.1 | -10% | 48 | 35% | 1.79 | 5.30% | 902 | 0% | 902 | 3.3% | 943 | 17.7 | -11% | -2% |
| Health Care REITs | 114,093 | 19.0 | 6,000 | 100% | 6,000 | -6% | 5,640 | 36% | 7.80 | 4.80% | 117,500 | 0% | 117,500 | 3.5% | 122,011 | 20.3 | 7% | 16% |
| Hotel & Resort REITs | 12,837 | 9.2 | 1,400 | 90% | 1,260 | -20% | 1,008 | 25% | 1.98 | 7.00% | 14,400 | 0% | 14,400 | 4.4% | 15,138 | 12.0 | -18% | 27% |
| Industrial REITs | 101,366 | 20.3 | 5,000 | 95% | 4,750 | -7% | 4,418 | 28% | 1.81 | 5.25% | 84,143 | 5% | 88,350 | 3.5% | 92,098 | 19.4 | -9% | 0% |
| Office REITs | 12,685 | 12.7 | 1,000 | 80% | 800 | -30% | 560 | 63% | 4.27 | 7.00% | 8,000 | 0% | 8,000 | 4.5% | 8,401 | 10.5 | -34% | -25% |
| Residential REITs | 139,342 | 18.6 | 7,500 | 90% | 6,750 | -10% | 6,075 | 33% | 1.81 | 4.90% | 123,980 | 0% | 123,980 | 3.4% | 128,891 | 19.1 | -7% | 1% |
| Retail REITs | 127,560 | 13.4 | 9,500 | 95% | 9,025 | -15% | 7,671 | 48% | 2.03 | 6.00% | 127,854 | 0% | 127,854 | 5.2% | 132,024 | 14.6 | 3% | 12% |
| Specialized REITs | 476,677 | 20.7 | 23,000 | 100% | 23,000 | -7% | 21,390 | 36% | 1.23 | 5.20% | 411,346 | 10% | 452,481 | 3.3% | 472,303 | 20.5 | -1% | 8% |
| Real Estate Management & Development | 70,758 | 44.2 | 1,600 | 95% | 1,520 | -3% | 1,474 | 0% | 0.95 | 4.75% | 31,040 | 25% | 38,800 | - | 41,613 | 27.4 | -41% | -32% |
| COMMUNICATION SERVICES | 4,501 | 21.7 | 207.0 | 102% | 210.2 | -5% | 200 | 11% | 0.83 | 5.30% | 3,768 | 20% | 4,521 | 0.8% | 4,839 | 23.0 | 8% | 16% |
| Diversified Telecommunication Services | 346,125 | 9.9 | 35,000 | 75% | 26,250 | -15% | 22,313 | 94% | -0.28 | 5.25% | 425,000 | -25% | 318,750 | 5.6% | 325,618 | 12.4 | -6% | 3% |
| Entertainment | 573,838 | 57.4 | 10,000 | 110% | 11,000 | -8% | 10,120 | 15% | 1.59 | 5.25% | 192,762 | 50% | 289,143 | 0.3% | 310,774 | 28.3 | -46% | -37% |
| Interactive Media & Services | 3,174,089 | 24.0 | 132,000 | 110% | 145,200 | -2% | 142,296 | -4% | 0.69 | 5.20% | 2,736,462 | 30% | 3,557,400 | 0.4% | 3,816,863 | 26.3 | 20% | 29% |
| Media | 291,505 | 11.7 | 25,000 | 90% | 22,500 | -10% | 20,250 | 69% | 0.99 | 6.25% | 324,000 | -15% | 275,400 | 2.1% | 293,599 | 13.0 | 1% | 9% |
| Wireless Telecommunication Services | 115,170 | 23.0 | 5,000 | 105% | 5,250 | -8% | 4,830 | 39% | 1.41 | 5.25% | 92,000 | 5% | 96,600 | 1.2% | 102,923 | 19.6 | -11% | -2% |
| UTILITIES | 1,245 | 20.9 | 59.5 | 107% | 63.7 | -7% | 59 | 79% | -0.81 | 5.40% | 1,096 | 5% | 1,151 | 2.8% | 1,209 | 19.0 | -3% | 6% |
| Electric Utilities | 808,984 | 20.2 | 40,100 | 110% | 44,110 | -7% | 41,022 | 80% | 1.15 | 5.50% | 745,860 | 7% | 798,070 | 2.8% | 839,825 | 19.0 | 4% | 13% |
| Gas Utilities | 20,416 | 20.4 | 1,000 | 100% | 1,000 | -7% | 930 | 43% | -1.16 | 5.00% | 18,600 | 0% | 18,600 | 2.4% | 19,540 | 19.5 | -4% | 4% |
| Independent Power and Renewable Electric | 67,871 | 48.5 | 1,400 | 110% | 1,540 | -15% | 1,309 | 80% | -4.16 | 8.00% | 16,363 | 0% | 16,363 | 1.2% | 17,890 | 11.6 | -74% | -65% |
| Multi-Utilities | 321,683 | 20.1 | 16,000 | 100% | 16,000 | -7% | 14,880 | 79% | -1.06 | 5.25% | 283,429 | 0% | 283,429 | 3.2% | 296,224 | 18.5 | -8% | 1% |
| Water Utilities | 25,931 | 25.9 | 1,000 | 100% | 1,000 | -5% | 950 | 51% | -0.97 | 4.50% | 21,111 | 0% | 21,111 | 2.3% | 22,103 | 22.1 | -15% | -6% |

Source: IBES, DWS Investment GmbH as of 10/16/2024. 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 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 3/31/2024.

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

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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 2024E S&P 500 EPS | \$245.00 | DWS 2024E S&P 500 DPS | \$76.00 | DWS 2024E S&P 500 aggregate ROE | 22.3% | Fair long-term nominal return on S&P 500 index | 7.90% |
| | | 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 | \$250.00 | DWS "normal 2024E" S&P 500 DPS | \$80.00 | DWS "normal 2024E" S&P 500 aggregate ROE | 21.4% | + Long-term real risk free interest rate | 1.65% |
| "Normal 2024E" EPS / 2024 EPS | 102% | Normal dividend payout ratio | 34% | | | + Long-term fair S&P 500 equity risk premium* | 3.75% |
| | | | | | | = Long-term real S&P 500 cost of equity | 5.40% |
| Accounting quality adjustment to pro forma EPS | -\$15.00 | EPS directed to net share repurchases | \$78.00 | S&P EPS retained for operating reinvestment | 33% | + Long-term inflation forecast | 2.50% |
| | | Normal share repurchase payout ratio | 33% | Estimated ROE on reinvested S&P EPS | 9.50% | | |
| Normal 2024E S&P 500 EPS fair to capitalize | \$235 | Total payout of S&P 500 EPS | \$158.00 | Economic margin (EM) or ROE-CoE | 1.60% | = S&P 500 nominal cost of equity | 7.90% |
| Key principle: steady-state value = normal EPS / real CoE | | Total payout ratio of normal and quality adj. EPS | 67% | Sources of long-term earnings growth: | | * S&P 500 ERP history 300-400bps, w/ real CoE @ 5% - 6.5% | |
| | | | | + Long-term inflation forecast | 2.50% | | |
| S&P 500 EPS Capitalization Valuation | | S&P 500 DPS Discount Model | | + Fair return on operating reinvestment | 1.77% | Fair S&P 500 Market Value and Book Value Multiple | |
| Normal EPS / (real CoE - (EM/payout) - EM): | | Normal DPS / (nominal CoE - DPS growth): | | + Value added earnings growth on op. reinvestment | 0.52% | 2023E end S&P 500 book value per share | \$1,100 |
| S&P 500 intrinsic value at 2024 start | 5086 | S&P 500 intrinsic value at 2024 start | 5086 | = Long-term earnings growth | 4.79% | Fair PB = Fair PE * normal aggregate ROE | 4.62 |
| S&P 500 intrinsic value at 2024 end | 5408 | S&P 500 intrinsic value at 2024 end | 5408 | + Growth from net share repurchases | 1.53% | Fair PE =(inc ROE-g)/(inc real ROE*(real CoE-real g)) | 20.76 |
| Implied fair fwd PE in early 2024 on 2024E \$245 EPS | 20.8 | Implied fair forward yield on 2024E DPS of \$76.0 | 1.49% | = Long-term S&P 500 EPS/DPS growth | 6.33% | Implied S&P 500 fair value of book at 2024 start | 5086 |
| Implied fair trailing PE at 2024 end on 2024E \$245 EPS | 22.1 | Implied fair trailing yield on 2024E DPS of \$76.0 | 1.41% | + Fair normal dividend yield | 1.57% | Steady-state PB = normal agg. ROE / real CoE | 3.96 |
| | | | | = Total long-term return at constant PE | 7.90% | Confirmed by fair steady-state PE = 1 / real CoE | 18.5 |
| Normal EPS / (real CoE - value added EPS growth) | 5125 | DPS discount model using true DPS (all payout) | 5408 | Value added growth premium in fair value est. | 17% | Normal 2024E economic profit per share | \$175.60 |

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 | | | | | |
|--------------------------|-------|-------|-------|-------|-------|
| | \$240 | \$245 | \$250 | \$255 | \$260 |
| 5.00% | 5746 | 5967 | 6196 | 6432 | 6675 |
| 5.25% | 5298 | 5486 | 5679 | 5876 | 6079 |
| 5.40% | 5062 | 5233 | 5408 | 5587 | 5770 |
| 5.50% | 4916 | 5077 | 5242 | 5410 | 5581 |
| 5.75% | 4586 | 4726 | 4868 | 5013 | 5160 |

DWS September 2025 equity index targets

| Index | 3M relative View | Current Level | Previous Target CIO Day July | Target Sep 25 | Chg in Target | Expected Total Return Sep 25 | Assumptions | | | | | | | |
|-----------------|------------------|---------------|------------------------------|---------------|---------------|------------------------------|-------------|-----------------|---------------------|----------------|--------------|-----------------------|--------------------------|--------------------------|
| | | | | | | | thereof | EPS growth NTM* | LTM multiple impact | Dividend Yield | EPS NTM* (e) | EPS NTM DWS vs. Cons. | Target LTM P/E in Sep 25 | Target PE discount to US |
| S&P 500 | | 5,648 | 5,600 | 5,800 | 4% | 4.1% | USD | 10.7% | -8% | 1.4% | 268 | -1.0% | 21.6x | |
| Stoxx 600 | | 524 | 530 | 540 | 2% | 6.5% | EUR | 4.9% | -2% | 3.4% | 37.9 | -3.7% | 14.2x | -34% |
| EuroStoxx 50 | | 4,958 | 5,100 | 5,100 | 0% | 6.3% | EUR | 4.1% | -1% | 3.4% | 374 | -3.7% | 13.7x | -37% |
| DAX40 | | 18,886 | 19,600 | 20,000 | 2% | 5.9% | EUR | 7.8% | -5% | 3.2% | 1505 | 0.0% | 12.8x | -40% |
| SMI | | 12,394 | 11,900 | 12,350 | 4% | 2.6% | CHF | 9.7% | -9% | 3.0% | 721 | -0.3% | 17.1x | -20% |
| FTSE 100 | | 8,369 | 8,200 | 8,350 | 2% | 3.5% | GBP | 2.4% | -3% | 3.8% | | -3.3% | 12.0x | -44% |
| MSCI EM | | 1,096 | 1,100 | 1,140 | 4% | 6.9% | USD | 13.0% | -8% | 2.9% | 86.7 | -7.5% | 13.2x | -39% |
| MSCI AC Asia xJ | | 701 | 710 | 740 | 4% | 8.1% | USD | 12.7% | -7% | 2.6% | 52.0 | -8.5% | 14.2x | -34% |
| MSCI Japan | | 1,677 | 1,760 | 1,760 | 0% | 7.3% | YEN | 8.4% | -3% | 2.3% | 114.2 | -1.1% | 15.4x | -29% |
| MSCI Australia | | 1,628 | 1,500 | 1,550 | 3% | -1.1% | AUD | -0.9% | -5% | 3.7% | 90.0 | -0.4% | 17.0x | -21% |

Source: DWS Investment Management GmbH. 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.

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S&P 500 industry monitor (1 of 2)

| Sector | Industry | PE on 2023 EPS | PE on 2024 Consensus EPS | 2024 Consensus EPS Growth | 2025 Consensus EPS Growth | 2024 EPS 3m Revision | 3m Total Return Momentum | 2024 End Upside (Intrinsic Valuation) | Combined Signal |
|-------------------------------|---|-------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------|--------------------------------|--|--------------------|
| Consumer Discretionary | | 28.0 | 24.9 | 21.1% | 12.7% | -0.4% | 2.8% | -7.2% | 0 |
| | <i>Automobile Components</i> | 10.2 | 8.6 | 11.6% | 19.6% | 2.0% | -1.6% | 35.3% | 0 |
| | <i>Automobiles</i> | 28.2 | 26.3 | -13.6% | 7.5% | -2.8% | -12.0% | -20.9% | -1 |
| | <i>Household Durables</i> | 14.2 | 13.1 | 8.8% | 8.4% | 2.4% | 14.1% | -4.0% | 1 |
| | <i>Leisure Products</i> | 18.7 | 16.2 | 10.9% | 15.3% | 5.4% | 19.2% | -14.4% | 1 |
| | <i>Textiles Apparel & Luxury Goods</i> | 22.5 | 22.4 | 5.8% | 0.7% | -8.2% | 9.2% | 8.3% | 0 |
| | <i>Hotels Restaurants & Leisure</i> | 25.7 | 22.5 | 28.1% | 14.4% | -1.2% | 11.9% | -1.2% | 1 |
| | <i>Distributors</i> | 16.4 | 15.1 | -4.6% | 9.1% | -8.6% | -2.3% | 14.9% | -1 |
| | <i>Broadline Retail</i> | 38.4 | 31.4 | 110.2% | 22.0% | 4.2% | 0.2% | -0.6% | 1 |
| <i>Specialty Retail</i> | 25.8 | 24.1 | -0.6% | 6.8% | -2.1% | 9.5% | -18.1% | 0 | |
| Consumer Staples | | 22.5 | 21.2 | 7.6% | 6.3% | -0.6% | 5.6% | -3.7% | 0 |
| | <i>Consumer Staples Distribution & Retail</i> | 29.5 | 27.7 | 5.9% | 6.5% | -2.3% | 6.2% | -9.1% | 0 |
| | <i>Food Products</i> | 16.1 | 15.6 | -4.2% | 3.6% | -1.6% | 3.4% | 5.8% | 0 |
| | <i>Beverages</i> | 22.4 | 20.9 | 8.8% | 6.9% | 0.1% | 6.2% | 3.2% | 0 |
| | <i>Tobacco</i> | 14.6 | 13.6 | 4.7% | 7.1% | 0.8% | 9.3% | -11.9% | 0 |
| | <i>Household Products</i> | 25.5 | 24.0 | 13.2% | 6.5% | 0.7% | 3.3% | -13.5% | 0 |
| | <i>Personal Care Products</i> | 22.2 | 19.8 | 454.9% | 12.3% | -3.3% | 8.1% | 3.8% | 0 |
| Energy | | 14.5 | 13.4 | -22.6% | 8.2% | -13.8% | -2.3% | -9.5% | -1 |
| | <i>Energy Equipment & Services</i> | 12.4 | 10.9 | 21.3% | 14.1% | -1.9% | -10.1% | 21.6% | 0 |
| | <i>Oil Gas & Consumable Fuels</i> | 14.7 | 13.6 | -25.2% | 7.6% | -14.8% | -1.6% | -17.0% | -1 |
| Financials | | 17.5 | 16.3 | 14.7% | 7.7% | 3.0% | 7.4% | -13.3% | 0 |
| | <i>Banks</i> | 12.3 | 11.9 | 1.5% | 3.0% | 6.0% | 2.0% | -7.3% | 0 |
| | <i>Financial Services</i> | 24.6 | 22.9 | 16.7% | 7.7% | 2.2% | 7.5% | -13.6% | 1 |
| | <i>Consumer Finance</i> | 14.5 | 13.7 | 18.0% | 5.9% | 5.2% | 8.3% | -20.4% | 1 |
| | <i>Capital Markets</i> | 21.3 | 18.8 | 20.7% | 13.3% | 0.2% | 11.8% | -29.5% | 1 |
| | <i>Insurance</i> | 15.8 | 14.2 | 38.6% | 11.3% | 0.6% | 9.7% | 4.4% | 1 |
| Health Care | | 22.2 | 18.1 | 0.6% | 22.2% | -3.1% | 1.9% | 4.2% | -1 |
| | <i>Health Care Providers & Services</i> | 15.7 | 14.1 | 4.8% | 11.6% | -0.2% | -1.2% | 12.8% | 0 |
| | <i>Health Care Equipment & Supplies</i> | 26.5 | 24.1 | 18.8% | 9.7% | 0.6% | 5.2% | -0.3% | 0 |
| | <i>Life Sciences Tools & Services</i> | 29.8 | 26.9 | -5.0% | 10.8% | -0.7% | 6.4% | -15.6% | 0 |
| | <i>Biotechnology</i> | 23.6 | 17.6 | -19.0% | 34.3% | -13.6% | 0.9% | -2.7% | -1 |
| | <i>Pharmaceuticals</i> | 23.2 | 17.0 | 1.9% | 36.4% | -2.4% | 1.1% | 6.3% | -1 |
| Industrials | | 26.1 | 22.1 | 5.3% | 17.7% | -3.9% | 8.8% | -14.3% | 0 |
| | <i>Aerospace & Defense</i> | 37.4 | 25.2 | 6.4% | 48.4% | -16.6% | 14.3% | -20.3% | 0 |
| | <i>Building Products</i> | 25.7 | 23.6 | 6.4% | 8.9% | -0.8% | 16.4% | -23.8% | 0 |
| | <i>Trading Companies & Distributors</i> | 25.4 | 23.5 | 8.6% | 8.3% | -1.0% | 12.7% | -19.1% | 0 |
| | <i>Electrical Equipment</i> | 30.7 | 26.1 | 24.2% | 17.7% | -1.1% | 2.5% | 0.2% | 0 |
| | <i>Construction & Engineering</i> | 35.4 | 30.1 | 26.8% | 17.6% | 2.4% | 24.8% | -33.5% | 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 10/15/2024. 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 2023 EPS | PE on 2024 Consensus EPS | 2024 EPS Growth | 2025 Consensus EPS Growth | 2024 EPS 3m Revision | 3m Total Return Momentum | 2024 End Upside (Intrinsic Valuation) | Combined Signal |
|-------------------------------|---|-------------------|--------------------------------|--------------------|---------------------------------|----------------------------|--------------------------------|--|--------------------|
| | Industrial Conglomerates | 20.4 | 18.6 | -3.1% | 9.5% | -0.4% | 8.1% | -5.8% | 0 |
| | Machinery | 19.9 | 19.1 | 0.6% | 4.3% | 0.1% | 6.6% | -4.1% | 0 |
| | Commercial Services & Supplies | 36.6 | 33.1 | 33.5% | 10.4% | 0.2% | 3.6% | -19.4% | 0 |
| | Professional Services | 29.3 | 26.6 | 13.9% | 9.8% | 0.3% | 11.1% | -18.6% | 0 |
| | Air Freight & Logistics | 17.2 | 14.9 | -11.2% | 16.0% | -5.6% | -7.8% | -1.3% | -1 |
| | Passenger Airlines | 9.7 | 8.0 | -5.2% | 21.0% | -8.7% | 18.9% | 3.5% | -1 |
| | Ground Transportation | 29.8 | 23.7 | 9.7% | 25.9% | 0.7% | 8.4% | -27.5% | 0 |
| Information Technology | | 33.8 | 27.9 | 26.1% | 21.2% | 0.4% | 2.7% | -14.0% | 0 |
| | IT Services | 25.3 | 23.7 | 8.4% | 6.8% | 1.0% | 16.0% | 2.1% | 1 |
| | Software | 34.9 | 30.7 | 19.4% | 13.6% | -0.1% | -0.5% | -0.5% | 0 |
| | Communications Equipment | 20.7 | 19.9 | -5.5% | 4.1% | 0.8% | 14.7% | -3.6% | 1 |
| | Technology Hardware Storage & Peripherals | 31.9 | 28.0 | 16.5% | 14.0% | 1.6% | 1.6% | -20.6% | 0 |
| | Electronic Equipment Instruments & Components | 24.6 | 21.8 | 3.5% | 13.0% | 1.0% | 2.1% | -17.4% | 0 |
| | Semiconductors & Semiconductor Equipment | 38.3 | 27.4 | 59.9% | 39.7% | -0.2% | 4.5% | -23.7% | 0 |
| Materials | | 24.5 | 20.7 | -9.8% | 18.3% | -4.2% | 5.6% | -23.9% | -1 |
| | Chemicals | 25.0 | 21.5 | -9.3% | 16.2% | -4.0% | 7.3% | -14.6% | -1 |
| | Construction Materials | 32.4 | 26.7 | 6.9% | 21.3% | -15.6% | -0.6% | -46.1% | -1 |
| | Metals & Mining | 19.7 | 16.1 | -17.0% | 22.5% | -2.0% | 2.3% | -20.0% | -1 |
| | Containers & Packaging | 27.7 | 22.8 | -1.2% | 21.8% | -3.5% | 4.4% | -55.1% | -1 |
| Real Estate | | 40.8 | 38.5 | 10.8% | 5.9% | 2.3% | 9.1% | -9.9% | 0 |
| | Industrial REITs | 38.6 | 36.7 | -4.3% | 5.2% | 29.0% | -0.7% | -5.1% | -1 |
| | Hotel & Resort REITs | 17.9 | 18.2 | -4.8% | -1.3% | -9.9% | -3.9% | 18.4% | -1 |
| | Office REITs | 40.6 | 46.2 | -17.8% | -12.1% | -2.3% | 27.6% | -33.1% | -1 |
| | Health Care REITs | 90.5 | 74.5 | 93.9% | 21.5% | -5.5% | 15.3% | 7.9% | 1 |
| | Residential REITs | 42.0 | 46.3 | -6.9% | -9.3% | 4.0% | 5.0% | -6.4% | 0 |
| | Retail REITs | 34.9 | 33.2 | -3.5% | 5.1% | 1.2% | 11.8% | 4.3% | 1 |
| | Specialized REITs | 38.4 | 36.4 | 24.2% | 5.8% | -1.2% | 9.6% | -0.6% | 1 |
| | Real Estate Management & Development | 40.2 | 30.3 | 3.2% | 32.4% | 7.4% | 13.9% | -41.1% | 1 |
| Communication Services | | 21.5 | 18.4 | 31.9% | 16.7% | -2.3% | 4.5% | 7.1% | 0 |
| | Diversified Telecommunication Services | 9.7 | 9.4 | -8.1% | 2.9% | -0.7% | 9.2% | -5.4% | 0 |
| | Wireless Telecommunication Services | 23.4 | 20.0 | 43.9% | 17.1% | 3.0% | 18.6% | -9.5% | 1 |
| | Media | 10.8 | 10.3 | 10.0% | 4.7% | 1.2% | 4.3% | 1.0% | 0 |
| | Entertainment | 59.1 | 25.1 | 4.4% | 135.5% | -46.5% | 3.9% | -45.6% | 0 |
| | Interactive Media & Services | 23.8 | 20.9 | 59.5% | 13.8% | 2.7% | 3.6% | 19.3% | 1 |
| Utilities | | 20.1 | 18.4 | 18.7% | 9.1% | 0.0% | 15.8% | -0.9% | 1 |
| | Multi-Utilities | 19.9 | 18.1 | 4.7% | 9.9% | -0.5% | 13.0% | -6.1% | 0 |
| | Water Utilities | 26.8 | 24.8 | 8.5% | 8.2% | 0.4% | -0.4% | -13.9% | 0 |
| | Gas Utilities | 20.6 | 19.6 | 12.2% | 5.5% | 0.5% | 14.6% | -3.0% | 0 |
| | Electric Utilities | 20.1 | 18.7 | 24.7% | 7.5% | 0.4% | 15.9% | 5.7% | 1 |
| | Independent Power and Renewable Electricity Producers | 18.7 | 14.6 | 34.3% | 28.0% | -3.0% | 47.6% | -72.3% | 1 |
| S&P 500 | | 24.6 | 21.4 | 12.1% | 15.0% | -1.4% | 4.4% | -7.0% | 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

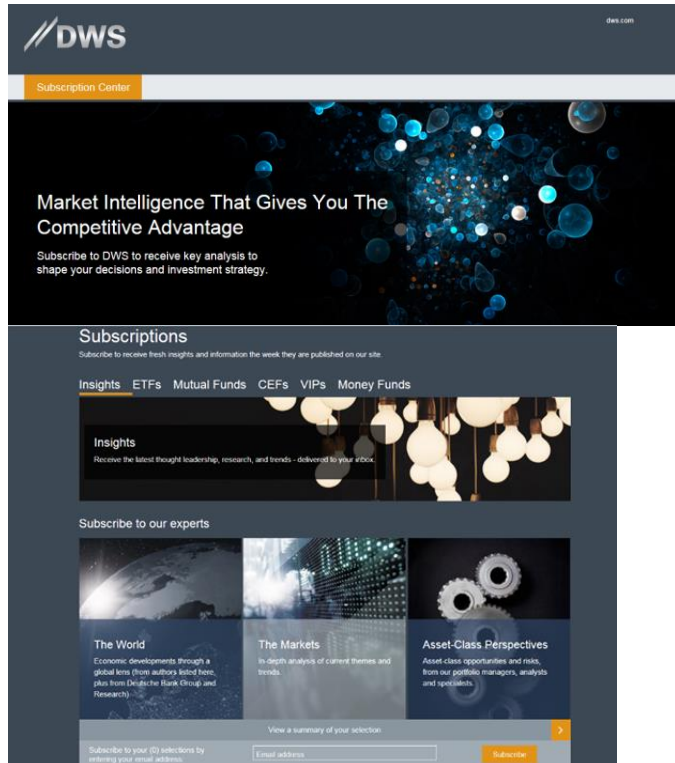
Source: Factset, DWS Investment GmbH as of 10/15/2024. Past performance may not be indicative of future results. Forecasts are not a reliable indicator of future returns. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect.

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