

Valuation under Trump: Optimism, scenarios, segmentation, flexible forecasts



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Valuation modeling under Trump: Intrinsic valuation methods are still relevant
Upon Trump's win and the Republican sweep, we raised our S&P EPS estimates for 2025 to \$275 from \$270 on deregulation and expect 2026 S&P EPS to slightly exceed \$300. This note provides our updated S&P EPS models that detail our earnings estimates by sectors and industries. We expect a little over 20% y/y EPS growth in 2025 from the Great Eight digital companies of the S&P 500 and near 10% from the rest in 2025; assuming the hits and risks from tariffs are offset by the benefits and confidence of lower corporate taxes. While 2024 isn't complete, earnings results YTD vs. our estimates suggest an acceleration in S&P EPS growth from about 10% this year to 10-15% next year with growth decelerating from over 30% at the Great Eight, but accelerating at the rest from about 4% this year.

Consistent with DWS macro forecasts, our 2025 S&P EPS estimates incorporate 2.0% US GDP growth and 2.4% inflation, which will assist earnings growth, but also WTI oil falling to \$65/bbl and the euro falling to \$1.02 at 2025 end, which will weigh on S&P EPS growth. Global GDP is expected to be decent, with some acceleration in Europe to 1%, 1.2% in Japan, but China decelerates to 4.2% given likelihood of tariffs and its internal challenges.

Intrinsic valuation drivers: EPS, cost of capital, economic profit growth premiums
Our intrinsic valuation framework rests on three inputs, which we think valid for any equity.
1) We estimate normalized earnings by sector, considering the macroeconomic and sector specific business cycle and we also consider the accounting quality of the non-GAAP EPS.
2) We estimate the cost of capital by sector, we observe and forecast 10yr Treasury yields and particularly 10yr TIPS yields to estimate the long-term real risk-free interest rate and then we add an equity risk premium to account for the uncertainty of equity returns.
3) We determine whether the anchor or steady-state valuation – determined by normalized EPS capitalized at the real cost of equity – warrants a premium (or discount) for long-term economic profit growth (or fading). If a sector can generate long-term EPS growth over its nominal cost of capital less its dividend yield, it typically suggests rising economic profits.

The ongoing shifting sector composition of the S&P 500 from value to growth sectors, requires considering a significant growth premium for the S&P 500 in aggregate today. In the past, it was unusual for the S&P 500 in aggregate to sustain a significant premium PE vs. its steady-state PE applied to non-GAAP EPS. It's because of issues such as this, that we have found it very helpful to model the earnings and the valuation of the S&P 500 using a middle-up approach or sector-by-sector approach and not just top-down. Our valuation framework has its top-down model integrated with our sector/industry valuation models.

Valuing Great Eight: Exceptional EPS growth for longer, advantaged capital cost
As said, we expect a bit over 20% EPS growth in aggregate from the Great Eight in 2025 and probably 15% in 2026 and perhaps 10-15% for the rest of the decade for most. These companies have strong balance sheets and FCF and most have \$1T+ market caps. Our S&P 500 targets and supporting intrinsic value estimates assume a 5.25% real cost of equity. Thus, most of the Great Eight should be near 5.0% real CoE or 7.5% nominal, in our view. This real CoE and long-term EPS growth outlook for the Great Eight, generally supports 25-30 PEs on 2025 EPS today or 25-50% growth premiums. Our models assign growth premiums by industry, mindful of certain companies dominating. While differing across industries, we think our growth premium estimates are generous for all, but some still trade at higher valuations and some less. Thus, opportunities for selection exist even within this this advantaged group of stocks that have been winning and winning for so long.

Valuing the S&P 492: Normal EPS growth after the Trump bump in 2025
After likely near 10% EPS growth in 2025, we think S&P 492 EPS growth slows to 5% to 8% for the rest of the decade or until next recession. This plus dividend yields of near 1.5%, should deliver upon an 8% nominal or 5.5% real CoE with an unchanged PE. The unchanged or fair sustainable PE should be about 18 or 1/5.5%. Thus, unless one sees EPS growth differently, we think both the Great Eight and S&P 492 are fairly valued relative to each other and both are at full fair values inclusive of optimistic outlooks.

We think it's better to differentiate by sectors than S&P 492 vs. Great Eight
Our sector strategy is overweight Health Care, Financials, Capital Goods and Utilities. Underweight conventional Retailers, Auto, Semiconductors, Materials, and REITs. We added selectively to Capital Goods and parts of Energy that are combustion plays (fossil fuel users) and some Transports, moving from Airlines to Airfreight & Logistics upon expected inventory building before tariffs.

Contributor: Ju Wang, Equity Portfolio Manager

Global Equity Index Forecasts: 12-months			
Index	Dec 2025F	NTM EPS Growth	Target PE
S&P 500	6,500	12.2%	23.5
EuroStoxx 50	4,950	6.0%	13.6
Stoxx 600	525	6.0%	13.9
MSCI Japan	1,770	7.0%	15.3
MSCI Asia xJ	750	11.0%	14.1
MSCI EM	1,150	11.0%	13.2

S&P 500 Outlook at Yearend			
	2024F	2025E	2026E
S&P 500	6000	6500	6900
Dividend Yield	1.30%	1.30%	1.30%
S&P EPS	\$245	\$275	\$303
Trailing PE	24.5	23.6	22.8
DPS	\$76	\$84	\$90

Next 5%+ Price Move (Up / Balanced Risk / Down)			
Taxable U.S. Investor Asset Allocations			
Asset Class	Long-term	Current	
Fixed Income/cash	31.5%	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:	Nov 2024	Dec 2025F	
U.S. Fed Funds rate	4.50%-4.75%	3.75%-4.00%	
10yr Treasury yield	4.40%	4.50%	
US IG Corp Spreads	95bp	85bp	
US High Yield Spreads	310bp	325bp	
Crude Oil (WTI) \$/bbl	69	65	
EUR / USD FX rate	1.06	1.02	

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

* Q4/Q4 GDP growth.
EPS = Earnings Per Share; GDP = Gross Domestic Product
FX = Foreign Exchange; TIPS – Treasury Inflation Protected Securities
Source: DWS Investment Management GmbH. All opinions and claims are based upon data on 11/19/2024 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			Equal weight			Underweight		
				2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Over-weight	10.5%	15.3%	Health Care	17.2	21.4	19.5	Biotechnology	13.0	17.9	20.2	Health Care Providers & Services	17.6	16.4	16.5	Life Sciences Tools & Services	22.0	24.8	26.1			
							Health Care Equipment & Supplies	28.8	28.6	26.6											
							Pharmaceuticals	14.2	24.0	16.9											
	13.9%	16.7%	Financials	23.1	20.8	18.9	Banks	16.5	13.9	14.4	Financial Services	33.9	30.0	26.4	Capital Markets	25.7	26.5	21.7			
							Insurance	23.9	19.6	15.9					Consumer Finance	15.9	18.2	15.9			
	3.5%	4.7%	Energy	9.7	12.7	17.2	Energy Equipment & Services	22.2	14.9	13.1	Oil Gas & Consumable Fuels	9.3	12.6	17.6							
	2.4%	3.6%	Utilities	24.4	22.3	19.6	Electric Utilities	23.8	21.4	19.0	Gas Utilities	25.7	23.2	20.8							
											Independent Power & Renewable E	-371.6	57.9	23.2							
											Multi-Utilities	20.4	21.4	20.0							
											Water Utilities	30.9	27.6	24.9							
	9.0%	9.8%	Communication Services	32.6	25.6	21.8	Entertainment	106.8	42.6	66.9	Diversified Telecommunication Ser	8.5	9.2	10.0	Media	12.3	12.0	11.6			
							Interactive Media & Services	45.6	32.3	23.3	Wireless Telecommunication Servi	115.1	32.7	25.879							
Under-weight	5.6%	5.2%	Consumer Staples	23.1	22.0	20.4	Beverages	24.1	21.7	20.4	Consumer Staples Distribution & R	29.2	28.1	22.9	Tobacco	17.0	16.7	16.1			
							Personal Care Products	48.1	21.5	24.1	Household Products	30.0	27.6	25.2	Food Products	13.7	14.5	15.2			
	8.6%	8.1%	Industrials	30.7	25.8	25.2	Aerospace & Defense	43.1	39.5	38.3	Construction & Engineering	51.8	47.8	39.8	Air Freight & Logistics	12.7	17.8	17.8			
							Electrical Equipment	34.6	34.5	26.5	Industrial Conglomerates	19.7	15.8	21.6	Building Products	26.7	32.7	25.3			
											Machinery	25.2	19.9	20.2	Commercial Services & Supplies	40.9	36.3	33.5			
											Passenger Airlines	25.0	8.4	11.0	Ground Transportation	61.9	30.2	25.2			
															Professional Services	36.1	31.6	28.9			
															Trading Companies & Distributors	33.7	28.1	26.7			
		2.1%	1.5%	Materials	17.6	22.9	24.7				Chemicals	17.8	22.4	24.7	Construction Materials	51.2	34.8	36.5			
											Metals & Mining	9.7	14.7	18.6	Containers & Packaging	27.3	37.7	29.1			
	2.2%	1.3%	Real Estate	20.2	19.9	19.1	Specialized REITs	20.8	20.7	20.7	Hotel & Resort REITs	9.7	9.2	8.9	Health Care REITs	23.5	29.8	18.9			
										Industrial REITs	22.2	20.8	18.3	Residential REITs	20.6	19.2	19.0				
										Office REITs	10.4	4.9	11.4	Real Estate Mgmt. & Development	30.8	42.3	39.9				
										Retail REITs	15.2	14.6	14.1								
	10.6%	6.5%	Consumer Discretionary	47.6	33.5	29.6	Automobile Components	11	10.1	8.5	Distributors	14	14.6	17.0	Automobiles	36	38.6	39.3			
										Leisure Products	13.9	21.4	16.0	Household Durables	13.2	13.3	13.7				
										Textiles Apparel & Luxury Goods	23.1	25.6	22.0	Broadline Retail	-9231	64.4	36.7				
														Hotels Restaurants & Leisure	68.6	25.9	26.6				
														Multi-line Retail							
														Specialty Retail	24.8	26.1	26.1				
	31.6%	27.3%	Information Technology	41.9	41.5	33.8	Software	47.3	41.0	34.8	Communications Equipment	23.1	21.0	21.0	Electronic Equipment	21.5	28.7	24.4			
							IT Services	27.2	25.0	24.0	Technology Hardware Storage & P	34.8	38.3	31.9	Semiconductors	52.9	54.5	38.7			
Aggregate PE: DWS View							Overweight	27.3	26.1	23.0	Equalweight	21.0	22.0	22.3	Underweight	35.7	33.0	28.0			
S&P 500								5894			2022, 2023& 2024 EPS	217.69	223.00	245.00	2022, 2023 & 2024 PE	27.1	26.4	24.1			
											Bottom-up Consensus EPS	217.69	221.46	243.40	Bottom-up Cons. PE	27.1	26.6	24.2			
														2022, 2023 & 2024 Ex Energy PE	27.7	27.7	24.6				
														Blm-up Cons. Ex Energy PE	29.1	27.5	24.8				

Sector OW	10.86%
Sector UW	-10.86%
Industry OW	18.01%
Industry UW	-18.01%
Beta	0.90
Tracking Error	275bp

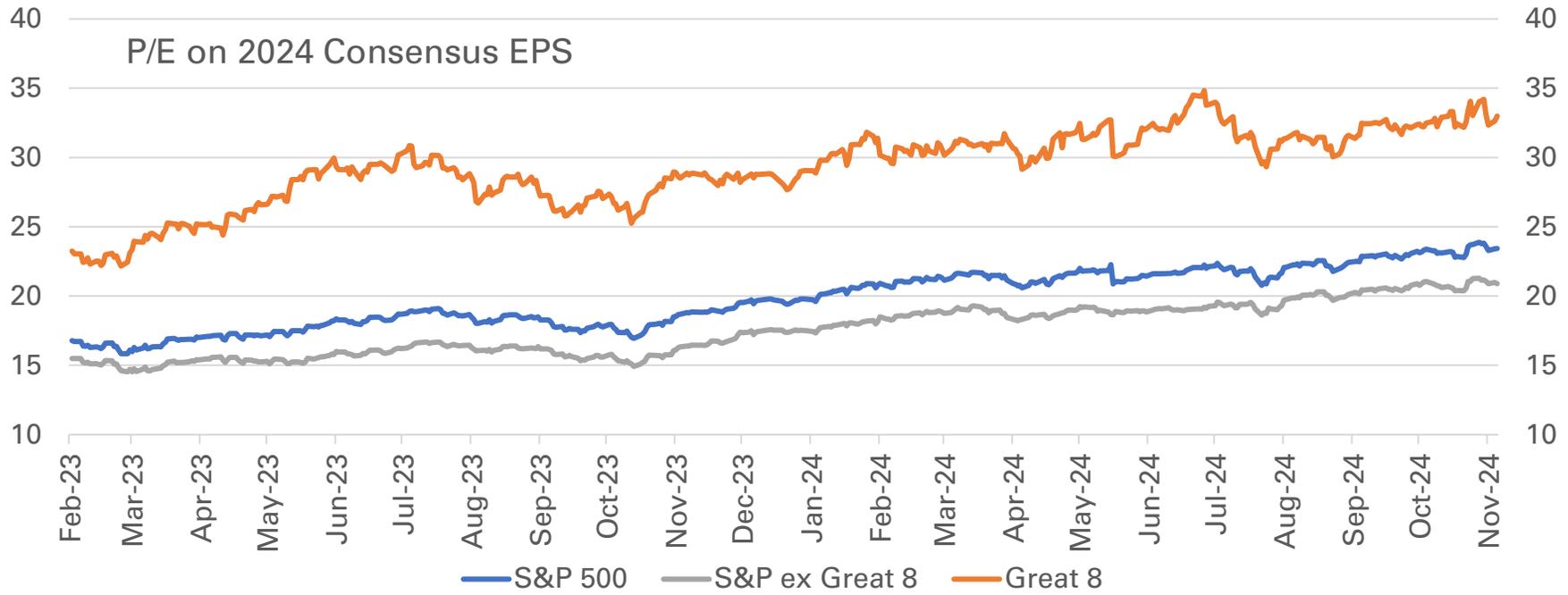
Macro tilts:	
Cyclicals	-4.62%
Defensive	4.65%
Value (Financial+Energy)	4.08%
Growth	1.62%
Growth ex Health Care	-3.16%
Consumer	-4.55%
Services/experience	-0.82%
Disc. Goods	-3.29%
Retailing	-1.35%
Durables	-1.94%
Staples Goods/Retail	-0.44%
Commodity	1.01%
Energy	1.24%
Metals/ Chemicals	-0.23%
Capex	6.27%
Capacity additions	2.77%
Productivity	3.50%
Health Care	4.78%
Innovation	3.88%
Marketers	1.79%
Insurers	-0.12%
Financials	2.84%
Up rates/low spreads	0.96%
Capital Markets	-0.21%
Insurance	2.09%
Bond Substitutes	0.06%
Weak FX \$ plays	-0.25%
High R&D plays	2.68%
Transports	-0.70%
Geopolitical risk	1.51%
Weak oil prices	-0.70%
Inflation shock	0.13%
Stagflation Protection	4.23%
Domestic GDP	-3.10%
Global GDP	-6.13%
Consumer TMT	-0.78%
Trade sensitive	-3.51%

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

Price as of 11/18/2024

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

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



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

Source: Factset, DWS Investment GmbH as of 11/19/2024. 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 S&P 500 Annual EPS Outlook

	2014A	2015A	2016A	2017A	2018A	2019A	2020A	2021A	2022A	2023A	y/y	2014-2023 CAGR	Bottom-up Consensus (IBES)				DWS View				Normalized 2025	
													2024E	y/y	2025E	y/y	2024E	y/y	2025E	y/y	(\$)	% of 2025
S&P 500 EPS (historical index)	\$118.82	\$117.46	\$118.10	\$132.00	\$161.93	\$162.93	\$139.72	\$208.12	\$218.09	\$221.36	1.5%	7.2%										
S&P 500 EPS (current constituents)	\$116.65	\$116.91	\$117.56	\$131.11	\$157.84	\$159.30	\$143.13	\$217.76	\$217.69	\$221.46	1.7%	7.4%	\$243	9.9%	\$276	13.3%	\$245	10.6%	\$275	12.2%	\$280	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%	213.9	23.9%	245.6	14.8%	215.0	24.5%	245.0	14.0%	244.8	100%
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%	179.3	15.4%	199.5	11.3%	178.8	15.1%	200.0	11.9%	209.7	105%
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%	127.8	1.9%	135.0	5.6%	127.0	1.2%	132.5	4.3%	129.7	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%	111.6	-19.4%	116.7	4.6%	110.0	-20.6%	120.5	9.5%	120.5	100%
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%	373.0	12.3%	405.0	8.6%	376.5	13.4%	405.0	7.6%	399.9	99%
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%	268.9	10.4%	307.3	14.2%	272.0	11.7%	303.0	11.4%	297.8	98%
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%	162.0	2.2%	188.7	16.5%	163.5	3.1%	190.5	16.5%	195.9	103%
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%	458.3	18.1%	554.5	21.0%	465.0	19.8%	560.0	20.4%	578.3	103%
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%	46.1	-7.0%	54.5	18.3%	46.0	-7.2%	51.5	12.0%	50.5	98%
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%	54.0	2.0%	56.5	4.7%	53.5	1.1%	56.0	4.7%	56.1	100%
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%	61.3	13.6%	66.6	8.6%	61.5	13.9%	68.5	11.3%	76.1	111%
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%	2056.2	9.9%	2330.0	13.3%	2068.8	10.6%	2332.5	12.7%	2359.2	101%
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%	1944.6	12.3%	2213.3	13.8%	1958.8	13.1%	2212.0	12.9%	2238.7	101%
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%	1597.9	7.8%	1775.5	11.1%	1603.8	8.2%	1772.5	10.5%	1780.9	100%
S&P 500 Sales/Share (historical index)	\$1,163	\$1,127	\$1,151	\$1,232	\$1,339	\$1,415	\$1,362	\$1,567	\$1,753	\$1,872	6.8%	5.4%										
S&P 500 Non-GAAP Net Margin	10.2%	10.4%	10.3%	10.7%	12.1%	11.5%	10.3%	13.3%	12.4%	11.8%												

S&P 500 EPS	Whole Year	1Q	2Q	3Q	4Q
2019A	163	39	41	41	42
2020A	140	33	28	38	42
2021A	210	49	53	54	54
2022A	222	55	58	56	53
2023A	223	53.00	54.25	58.5	57.25
2024E	245	58.00	60.00	62.00	65.00

S&P 500 Trailing PE	Average	Stdev	3yr Avg High	3yr Avg Low
1960 – 2023	16.5	4.6	26.3	7.9
1985 – 2023	18.1	3.9	26.3	13.0
1995 – 2023	18.9	3.8	26.3	14.2
2005 – 2023	17.6	2.8	21.8	14.2
2005 – 2019 (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 11/18/2024. 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 S&P 500 Annual EPS Outlook by Sector and Industry (1 of 2)

	2014A	2015A	2016A	2017A	2018A	2019A	2020A	2021A	2022A	2023A	y/y	2014-2023 CAGR	Bottom-up Consensus (IBES)				DWS View				Normalized 2025	
													2024E	y/y	2025E	y/y	2024E	y/y	2025E	y/y	(\$)	% of 2025
CONSUMER DISCRETIONARY (\$bn)	56.8	67.2	74.8	79.0	94.1	92.4	62.7	121.7	111.2	155.4	39.7%	11.8%	179.3	15.4%	199.5	11.3%	178.8	15.1%	200.0	11.9%	209.7	105%
Automobile Components	2,256	2,154	2,394	2,046	2,312	2,070	1,097	1,692	2,001	2,204	10.2%	-0.3%	2,669	21.1%	2,995	12.2%	2,600	17.9%	2,800	7.7%	2,660	95%
Automobiles	9,603	15,486	16,156	16,155	14,178	11,439	9,482	22,487	29,431	26,826	-8.9%	12.1%	27,836	3.8%	30,034	7.9%	27,000	0.6%	30,500	13.0%	33,550	110%
Distributors	1,204	1,264	1,386	1,441	1,753	1,822	1,905	2,808	2,987	2,849	-4.6%	10.0%	2,486	-12.8%	2,621	5.5%	2,500	-12.3%	2,700	8.0%	2,700	100%
Hotels Restaurants & Leisure	17,872	19,233	20,470	23,325	26,843	25,713	(13,047)	2,277	13,962	34,887	149.9%	7.7%	36,076	3.4%	40,887	13.3%	36,000	3.2%	41,000	13.9%	41,000	100%
Household Durables	2,809	3,246	3,754	4,208	5,817	6,358	8,345	12,801	14,571	13,065	-10.3%	18.6%	14,087	7.8%	14,820	5.2%	14,000	7.2%	15,000	7.1%	14,250	95%
Headline Retail	2,098	2,671	4,143	4,038	11,003	12,443	20,972	31,654	(199)	28,719	14537%	33.7%	49,550	72.5%	58,995	19.1%	50,000	74.1%	59,000	18.0%	64,900	110%
Leisure Products	382	416	530	647	456	491	481	676	579	326	-43.6%	-1.7%	504	54.7%	576	14.2%	500	53.3%	500	0.0%	475	95%
Specialty Retail	16,684	18,576	21,515	22,441	26,754	27,918	28,466	40,315	40,984	39,077	-4.7%	9.9%	38,845	-0.6%	41,326	6.4%	39,000	-0.2%	41,000	5.1%	43,050	105%
Textiles Apparel & Luxury Goods	3,926	4,105	4,484	4,699	4,963	4,180	5,040	6,967	6,867	7,416	8.0%	7.3%	7,274	-1.9%	7,267	-0.1%	7,200	-2.9%	7,500	4.2%	7,125	95%
CONSUMER STAPLES (\$bn)	84.3	83.1	85.9	90.2	97.3	98.3	105.7	118.3	112.0	125.5	12.0%	4.5%	127.8	1.9%	135.0	5.6%	127.0	1.2%	132.5	4.3%	129.7	98%
Beverages	17,864	17,565	17,989	19,259	20,177	20,330	20,083	23,293	24,550	27,270	11.1%	4.8%	29,129	6.8%	30,831	5.8%	29,000	6.3%	30,400	4.8%	30,400	100%
Consumer Staples Distribution & Retail	20,717	21,750	22,142	22,831	24,905	24,640	27,794	32,434	24,644	31,064	26.0%	4.6%	31,893	2.7%	33,885	6.2%	31,500	1.4%	33,100	5.1%	33,100	100%
Food Products	14,985	14,500	16,175	16,985	18,428	18,096	20,140	22,796	24,304	22,838	-6.0%	4.8%	21,958	-3.9%	22,403	2.0%	22,000	-3.7%	22,500	2.3%	21,375	95%
Household Products	17,078	16,222	15,932	16,406	17,176	18,229	20,313	20,248	19,334	21,056	8.9%	2.4%	23,037	9.4%	24,471	6.2%	23,000	9.2%	24,000	4.3%	24,000	100%
Personal Care Products	754	743	809	969	1,194	1,134	1,252	1,633	1,255	5,180	312.8%	23.9%	2,662	-48.6%	2,823	6.0%	2,500	-51.7%	2,800	12.0%	3,080	110%
Tobacco	12,904	12,293	12,816	13,798	15,403	15,898	16,096	17,920	17,945	18,067	0.7%	3.8%	19,149	6.0%	20,616	7.7%	19,000	5.2%	19,700	3.7%	17,730	90%
ENERGY (\$bn)	94.9	40.0	10.8	37.2	69.3	48.1	(6.6)	76.7	195.3	138.5	-29.1%	4.3%	111.6	-19.4%	116.7	4.6%	110.0	-20.6%	120.5	9.5%	120.5	100%
Energy Equipment & Services	12,417	5,342	240	3,299	4,153	3,566	1,523	3,270	5,935	8,660	45.9%	-3.9%	9,864	13.9%	10,647	7.9%	10,000	15.5%	10,500	5.0%	10,500	100%
Oil Gas & Consumable Fuels	82,459	34,704	10,552	33,919	65,193	44,501	(8,144)	73,465	189,379	129,888	-31.4%	5.2%	101,748	-21.7%	106,053	4.2%	100,000	-23.0%	110,000	10.0%	110,000	100%
FINANCIALS (\$bn)	183.2	198.8	202.7	211.9	260.9	274.8	224.9	361.0	306.9	332.0	8.2%	6.8%	373.0	12.3%	405.0	8.6%	376.5	13.4%	405.0	7.6%	399.9	99%
Capital Markets	33,048	31,378	35,914	42,116	49,103	47,110	51,489	75,697	60,948	58,057	-4.7%	6.5%	70,921	22.2%	79,247	11.7%	72,000	24.0%	81,000	12.5%	76,950	95%
Banks	68,203	89,350	87,750	94,942	113,652	118,129	76,105	144,433	113,457	127,946	12.8%	7.2%	129,316	1.1%	138,070	6.8%	130,000	1.6%	136,500	5.0%	136,500	100%
Consumer Finance	13,410	12,503	12,187	11,871	15,756	16,245	7,226	27,606	19,950	16,255	-18.5%	2.2%	19,885	22.3%	20,593	3.6%	20,000	23.0%	21,000	5.0%	19,950	95%
Financial Services	26,178	28,557	30,499	30,470	44,112	48,011	47,913	58,834	65,897	73,844	12.1%	12.2%	84,201	14.0%	90,688	7.7%	84,500	14.4%	90,000	6.5%	90,000	100%
Insurance	42,340	37,038	36,374	32,483	38,230	45,291	42,211	54,469	46,658	55,937	19.9%	3.1%	68,636	22.7%	76,441	11.4%	70,000	25.1%	76,500	9.3%	76,500	100%
HEALTHCARE (\$bn)	137.2	152.1	156.9	171.2	187.8	205.6	226.2	292.0	308.0	243.6	-20.9%	6.6%	268.9	10.4%	307.3	14.2%	272.0	11.7%	303.0	11.4%	297.8	98%
Biotechnology	28,766	38,928	38,108	36,330	37,910	40,879	46,961	66,418	61,975	45,050	-27.3%	5.1%	39,601	-12.1%	52,015	31.3%	40,000	-11.2%	50,000	25.0%	50,000	100%
Health Care Equipment & Supplies	24,949	24,961	23,172	31,143	27,749	30,044	29,263	38,439	39,727	39,257	-1.2%	5.2%	43,042	9.6%	47,293	9.9%	43,000	9.5%	47,500	10.5%	47,500	100%
Health Care Providers & Services	26,135	29,259	31,760	34,409	43,552	52,172	58,737	66,531	69,678	73,012	4.8%	12.1%	73,057	0.1%	80,001	9.5%	74,000	1.4%	80,000	8.1%	80,000	100%
Life Sciences Tools & Services	7,819	8,072	8,337	9,881	11,399	12,190	16,935	23,645	23,695	20,153	-14.9%	11.1%	20,238	0.4%	22,047	8.9%	20,000	-0.8%	22,000	10.0%	22,000	100%
Pharmaceuticals	49,518	50,895	55,550	59,424	67,186	70,318	74,270	96,987	112,970	66,121	-41.5%	3.3%	93,001	40.7%	105,901	13.9%	95,000	43.7%	103,500	8.9%	98,325	95%
INDUSTRIALS (\$bn)	96.2	97.5	94.6	104.3	128.2	111.0	70.4	116.8	134.3	158.5	18.1%	5.7%	162.0	2.2%	188.7	16.5%	163.5	3.1%	190.5	16.5%	195.9	103%
Aerospace & Defense	23,862	22,954	22,757	23,942	35,967	28,078	14,826	20,945	21,052	25,948	23.3%	0.9%	23,748	-8.5%	37,162	56.5%	23,700	-8.7%	38,800	63.7%	44,620	115%
Air Freight & Logistics	6,728	7,731	8,166	8,890	10,446	9,608	10,817	16,168	16,098	11,443	-28.9%	6.1%	11,190	-2.2%	12,797	14.4%	11,500	0.5%	12,500	8.7%	11,875	95%
Passenger Airlines	5,977	10,271	9,010	7,515	8,634	10,040	(17,622)	(8,237)	3,507	8,148	132.3%	3.5%	7,632	-6.3%	9,418	23.4%	8,000	-1.8%	9,000	12.5%	8,100	90%
Building Products	3,675	3,729	4,937	5,106	5,565	4,861	6,043	9,068	10,443	10,356	-0.8%	12.2%	10,515	1.5%	11,354	8.0%	11,000	6.2%	11,500	4.5%	10,925	95%
Commercial Services & Supplies	1,842	1,937	2,171	2,285	2,772	2,971	3,078	4,023	5,334	5,687	6.6%	13.3%	6,472	13.8%	7,113	9.9%	6,500	14.3%	7,200	10.8%	7,200	100%
Construction & Engineering	430	213	234	304	426	482	545	703	922	1,048	13.6%	10.4%	1,268	21.1%	1,489	17.4%	1,200	14.5%	1,600	33.3%	1,760	110%

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 11/18/2024. 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 S&P 500 Annual EPS Outlook by Sector and Industry (2 of 2)

	2014A	2015A	2016A	2017A	2018A	2019A	2020A	2021A	2022A	2023A	y/y	2014-2023 CAGR	Bottom-up Consensus (IBES)				DWS View				Normalized 2025	
													2024E	y/y	2025E	y/y	2024E	y/y	2025E	y/y	(\$)	% of 2025
Electrical Equipment	6,872	6,154	5,706	6,056	6,992	7,312	6,547	8,541	9,577	10,270	7.2%	4.6%	12,252	19.3%	14,399	17.5%	12,500	21.7%	15,000	20.0%	16,500	110%
Industrial Conglomerates	9,320	9,575	10,084	11,010	12,238	11,192	10,064	11,484	11,633	11,159	-4.1%	2.0%	10,772	-3.5%	11,668	8.3%	10,600	-5.0%	11,500	8.5%	11,500	100%
Machinery	18,323	16,059	13,729	18,698	23,167	24,667	20,451	29,690	34,421	42,589	23.7%	9.8%	42,776	0.4%	43,567	1.8%	43,000	1.0%	45,000	4.7%	45,000	100%
Professional Services	3,774	4,067	4,587	5,309	6,337	7,053	7,635	8,407	9,199	10,115	10.0%	11.6%	11,234	11.1%	12,266	9.2%	11,500	13.7%	12,400	7.8%	12,400	100%
Ground Transportation	13,419	12,792	11,598	13,452	12,931	1,617	5,072	12,595	7,318	16,148	120.7%	2.1%	18,226	12.9%	21,049	15.5%	18,000	11.5%	19,500	8.3%	19,500	100%
Trading Companies & Distributors	1,982	1,997	1,643	1,781	2,677	3,162	2,910	3,459	4,757	5,607	17.9%	12.2%	5,891	5.1%	6,370	8.1%	6,000	7.0%	6,500	8.3%	6,500	100%
INFORMATION TECHNOLOGY (\$bn)	162.5	168.9	174.2	208.6	243.5	238.4	271.0	446.5	375.3	388.1	3.4%	10.2%	458.3	18.1%	554.5	21.0%	465.0	19.8%	560.0	20.4%	578.3	103%
Communications Equipment	12,742	13,696	14,326	15,034	15,986	16,462	16,299	17,384	19,041	20,879	9.7%	5.6%	21,029	0.7%	21,916	4.2%	21,000	0.6%	22,000	4.8%	22,000	100%
Technology Hardware Storage & Peripherals	51,856	59,709	55,255	61,894	70,701	66,479	77,598	108,827	110,188	106,947	-2.9%	8.4%	119,376	11.6%	133,709	12.0%	120,000	12.2%	134,000	11.7%	134,000	100%
Electronic Equipment Instruments & Components	5,942	5,903	5,984	6,684	7,772	7,978	7,772	10,850	13,624	11,133	-18.3%	7.2%	11,827	6.2%	13,306	12.5%	12,000	7.8%	13,500	12.5%	13,500	100%
IT Services	22,246	20,725	19,772	20,374	21,401	20,282	16,394	18,244	20,732	22,881	10.4%	0.3%	23,556	3.0%	24,950	5.9%	23,500	2.7%	25,500	8.5%	25,500	100%
Semiconductors & Semiconductor Equipment	35,932	35,423	42,160	61,264	74,862	65,116	73,606	195,125	105,677	102,760	-2.8%	12.4%	139,607	35.9%	199,378	42.8%	144,500	40.6%	203,000	40.5%	213,150	105%
Software	33,771	33,438	36,749	43,360	52,758	62,048	79,353	96,030	106,071	123,533	16.5%	15.5%	142,907	15.7%	161,280	12.9%	144,000	16.6%	162,000	12.5%	170,100	105%
MATERIALS (\$bn)	24.5	23.0	22.0	28.7	35.8	33.6	32.0	62.1	64.5	49.6	-23.2%	8.1%	46.1	-7.0%	54.5	18.3%	46.0	-7.2%	51.5	12.0%	50.5	98%
Chemicals	16,795	17,733	15,758	18,980	22,696	24,155	21,228	36,600	39,383	30,820	-21.7%	7.0%	28,462	-7.6%	32,736	15.0%	28,500	-7.5%	31,500	10.5%	31,500	100%
Construction Materials	334	592	804	857	1,004	1,228	1,333	1,430	1,426	2,118	48.6%	22.8%	2,011	-5.1%	2,488	23.7%	2,000	-5.6%	2,500	25.0%	2,375	95%
Containers & Packaging	3,841	3,582	3,374	4,665	5,611	5,337	5,026	7,216	7,444	6,331	-14.9%	5.7%	7,103	12.2%	9,045	27.3%	7,000	10.6%	8,300	18.6%	8,300	100%
Metals & Mining	3,546	1,140	2,062	4,186	6,492	2,903	4,456	16,809	16,279	10,290	-36.8%	12.6%	8,509	-17.3%	10,264	20.6%	8,500	-17.4%	9,200	8.2%	8,280	90%
REAL ESTATE (\$bn)	22.1	23.8	27.7	31.1	34.9	36.4	36.3	43.2	50.6	52.9	4.5%	10.2%	54.0	2.0%	56.5	4.7%	53.5	1.1%	56.0	4.7%	56.1	100%
Health Care REITs	4,236	3,293	4,513	4,146	4,317	4,520	4,200	4,071	4,821	5,381	11.6%	2.7%	5,858	8.9%	6,175	5.4%	6,000	11.5%	6,000	0.0%	6,000	100%
Hotel & Resort REITs	1,185	1,166	1,250	1,243	1,304	1,294	(119)	431	1,277	1,367	7.0%	1.6%	1,373	0.4%	1,425	3.8%	1,400	2.4%	1,500	7.1%	1,350	90%
Industrial REITs	936	1,156	1,365	1,509	1,751	2,168	2,865	3,149	4,119	5,283	28.2%	21.2%	5,117	-3.1%	5,501	7.5%	5,000	-5.4%	5,400	8.0%	5,400	100%
Office REITs	745	762	858	887	900	1,003	954	948	1,093	1,055	-3.5%	3.9%	1,031	-2.2%	1,038	0.6%	1,000	-5.2%	900	-10.0%	810	90%
Residential REITs	3,545	4,083	4,206	4,843	5,268	5,731	5,536	5,665	6,799	7,262	6.8%	8.3%	7,442	2.5%	7,659	2.9%	7,400	1.9%	7,500	1.4%	7,125	95%
Retail REITs	4,211	4,764	5,145	5,624	6,042	6,143	5,071	6,629	8,229	8,790	6.8%	8.5%	9,043	2.9%	9,170	1.4%	8,900	1.3%	9,500	6.7%	9,025	95%
Specialized REITs	6,618	7,807	9,418	11,777	13,959	13,933	16,333	20,122	21,938	22,093	0.7%	14.3%	22,307	1.0%	23,256	4.3%	22,000	-0.4%	23,100	5.0%	24,255	105%
Real Estate Management & Development	651	740	900	1,058	1,404	1,611	1,464	2,223	2,332	1,673	-28.2%	11.1%	1,799	7.5%	2,295	27.6%	1,800	7.6%	2,100	16.7%	2,100	100%
COMMUNICATION SERVICES (\$bn)	66.5	76.8	89.0	97.0	121.3	128.1	132.1	183.9	143.8	172.7	20.1%	11.2%	213.9	23.9%	245.6	14.8%	215.0	24.5%	245.0	14.0%	244.8	100%
Diversified Telecommunication Services	26,327	31,523	33,277	34,035	43,253	45,990	42,973	47,469	40,898	37,214	-9.0%	3.9%	35,340	-5.0%	36,063	2.0%	35,000	-5.9%	35,000	0.0%	26,250	75%
Entertainment	9,746	11,010	11,763	12,303	14,136	14,399	9,444	12,669	6,388	12,021	88.2%	2.4%	10,553	-12.2%	23,693	124.5%	10,200	-15.1%	23,500	130.4%	28,200	120%
Interactive Media & Services	18,968	22,951	30,826	34,429	44,718	44,763	58,812	98,359	70,920	96,175	35.6%	19.8%	137,067	42.5%	153,365	11.9%	139,000	44.5%	155,000	11.5%	162,750	105%
Media	11,332	11,082	12,504	15,201	17,987	21,540	19,584	24,120	24,505	23,851	-2.7%	8.6%	26,266	10.1%	27,163	3.4%	26,000	9.0%	26,000	0.0%	22,100	85%
Wireless Telecommunication Services	102	281	598	986	1,202	1,447	1,275	1,263	1,080	3,476	221.9%	48.0%	4,711	35.6%	5,350	13.6%	4,800	38.1%	5,500	14.6%	5,500	100%
UTILITIES (\$bn)	32.9	33.1	35.7	37.5	40.8	45.8	47.5	48.1	49.5	54.0	9.0%	5.6%	61.3	13.6%	66.6	8.6%	61.5	13.9%	68.5	11.3%	76.1	111%
Electric Utilities	21,720	21,797	23,924	24,763	27,032	29,125	30,137	31,991	32,368	35,160	8.6%	5.5%	40,281	14.6%	43,014	6.8%	40,500	15.2%	44,900	10.9%	49,839	111%
Gas Utilities	299	328	361	400	465	537	606	697	812	933	14.9%	13.5%	1,026	9.9%	1,083	5.6%	1,000	7.2%	1,100	10.0%	1,100	100%
Independent Power and Renewable Electricity Prc	942	836	646	1,102	755	1,804	1,575	(228)	(187)	2,503	1439%	11.5%	3,073	22.8%	3,919	27.5%	3,000	19.8%	3,900	30.0%	4,875	125%
Multi-Utilities	9,539	9,669	10,239	10,697	11,984	13,704	14,496	14,940	15,711	14,447	-8.0%	4.7%	15,912	10.1%	17,489	9.9%	16,000	10.7%	17,500	9.4%	19,250	110%
Water Utilities	444	475	506	545	594	653	708	724	806	944	17.1%	8.7%	1,015	7.5%	1,098	8.3%	1,000	6.0%	1,050	5.0%	1,050	100%

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

	Market Value (\$bn)	Current 2025 PE	2025E Earnings (\$bn)	Normal Ratio	Normal 2025E Earnings	Accounting Quality Adjustment	Fully Adjusted Earnings	Net Debt / Market Cap	FCF / EPS	Real CoE	Steady State Value	Growth Premium	2025 Start Fair Value (\$bn)	2025E Dividend Yield	2025 End Fair Value (\$bn)	Fair PE on Normal 2025 EPS	2025 End Upside %	2025 End Upside vs. S&P 500
Communication Services	4,691	19.1	245.0	100%	244.8	-5%	232.6	11%	0.83	5.10%	4,560	20%	5,472	0.8%	5,845	23.9	25%	18%
Consumer Discretionary	5,296	26.5	200.0	105%	209.7	-6%	197.1	10%	0.76	5.25%	3,755	39%	5,200	0.9%	5,556	26.5	5%	-1%
<i>Automobiles</i>	1,061	34.8	30.5	110%	33.6	-10%	30.2	32%	0.99	5.75%	525	50%	788	0.3%	851	25.4	-20%	-26%
<i>Broadline (Internet) Retail</i>	1,836	31.1	59.0	110%	64.9	-5%	61.7	0%	0.18	5.10%	1,209	75%	2,116	0.0%	2,276	35.1	24%	18%
<i>ex. Auto & Broadline (Internet) Retail</i>	2,399	21.7	110.5	101%	111.3	-5%	105.3	13%	0.78	5.21%	2,021	14%	2,297	1.4%	2,442	22.0	2%	-5%
Consumer Staples	2,591	19.6	132.5	98%	129.7	-5%	123.2	14%	0.84	5.00%	2,464	5%	2,587	2.7%	2,710	20.9	5%	-2%
Energy	1,894	15.7	120.5	100%	120.5	-10%	108.5	14%	0.90	5.75%	1,886	-15%	1,603	1.6%	1,709	14.2	-10%	-16%
Financials	7,099	17.5	405.0	99%	399.9	-7%	370.8		1.11	5.75%	6,449	0%	6,449	1.5%	6,882	17.2	-3%	-9%
<i>Banks</i>	1,868	13.7	136.5	100%	136.5	-7%	126.9		1.11	6.00%	2,116	-10%	1,904	2.2%	2,025	14.8	8%	2%
Health Care	5,304	17.5	303.0	98%	297.8	-8%	274.0	10%	1.14	5.20%	5,269	13%	5,928	1.3%	6,305	21.2	19%	13%
Industrials	4,119	21.6	190.5	103%	195.9	-5%	186.1	15%	0.88	5.25%	3,544	10%	3,899	1.4%	4,147	21.2	1%	-6%
Information Technology	15,730	28.1	560.0	103%	578.3	-2%	566.7	2%	0.95	5.10%	11,111	40%	15,556	0.7%	16,628	28.8	6%	-1%
Materials	1,137	22.1	51.5	98%	50.5	-7%	46.9	16%	0.90	5.50%	853	10%	938	1.2%	1,002	19.9	-12%	-18%
Real Estate	1,022	18.3	56.0	100%	56.1	-10%	50.5	35%	1.79	5.25%	961	5%	1,009	3.3%	1,054	18.8	3%	-3%
Utilities	1,206	17.6	68.5	111%	76.1	-7%	70.8	79%	-0.81	5.25%	1,348	0%	1,348	3.0%	1,412	18.6	17%	11%
S&P 500 (\$ bn)	50,090	21.5	2332.5	101%	2359.2	-5.6%	2227.1			5.27%	42,201	18.5%	49990	1.2%	53,251	22.6	6%	0%
S&P 500 Index (\$/sh)	5894	21.4	275.0	102%	280.0	-5.4%	265.0	10%	0.93	5.25%	5048	18.5%	5982	1.2%	6361	22.7	8%	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

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

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

	Market Value (\$bn)	Current 2025 PE	2025E Earnings (\$bn)	Normal Ratio	Normal 2025E Earnings	Accounting Quality Adjustment	Fully Adjusted Earnings	Net Debt / Market Cap	FCF / EPS	Real CoE	Steady State Value	Growth Premium	2025 Start Fair Value (\$bn)	2025E Dividend Yield	2025 End Fair Value (\$bn)	Fair PE on Normal 2025 EPS	2025 End Upside %	2025 End Upside vs. S&P 500
CONSUMER DISCRETIONARY	5,296	26.5	200.0	105%	209.7	-6.0%	197	10%	0.76	5.25%	3,755	38.5%	5,200	0.9%	5,556	26.5	5%	-1%
Automobile Components	22,206	7.9	2,800	95%	2,660	-20%	2,128	26%	1.00	7.00%	30,400	0%	30,400	0.5%	33,151	12.5	49%	43%
Automobiles	1,060,626	34.8	30,500	110%	33,550	-10%	30,195	32%	0.29	5.75%	525,130	50%	787,696	0.3%	850,540	25.4	-20%	-26%
Distributors	42,436	15.7	2,700	100%	2,700	-8%	2,484	17%	0.93	5.50%	45,164	0%	45,164	2.5%	47,652	17.6	12%	6%
Hotels Restaurants & Leisure	958,230	23.4	41,000	100%	41,000	-5%	38,950	18%	0.79	5.10%	763,725	20%	916,471	1.3%	974,534	23.8	2%	-5%
Household Durables	192,139	12.8	15,000	95%	14,250	-12%	12,540	0%	0.99	6.50%	192,923	0%	192,923	0.8%	208,683	14.6	9%	2%
Broadline Retail	1,836,336	31.1	59,000	110%	64,900	-5%	61,655	0%	0.89	5.10%	1,208,922	75%	2,115,613	0.0%	2,275,791	35.1	24%	18%
Leisure Products	8,020	16.0	500	95%	475	-5%	451	35%	1.00	5.25%	8,595	0%	8,595	4.6%	8,868	18.7	11%	4%
Specialty Retail	1,017,425	24.8	41,000	105%	43,050	-3%	41,759	13%	0.91	5.00%	835,170	15%	960,446	1.5%	1,018,203	23.7	0%	-6%
Textiles Apparel & Luxury Goods	158,735	21.2	7,500	95%	7,125	-5%	6,769	-2%	0.97	5.20%	130,168	10%	143,185	1.5%	152,066	21.3	-4%	-11%
CONSUMER STAPLES	2,591	19.6	132.5	98%	129.7	-5.0%	123	14%	0.84	5.00%	2,464	5%	2,587	2.7%	2,710	20.9	5%	-2%
Beverages	591,935	19.5	30,400	100%	30,400	-5%	28,880	14%	0.85	4.90%	589,388	15%	677,796	2.9%	708,436	23.3	20%	13%
Consumer Staples Distribution & Retail	720,111	21.8	33,100	100%	33,100	-5%	31,445	8%	0.65	5.20%	604,712	10%	665,183	1.5%	706,404	21.3	-2%	-8%
Food Products	333,476	14.8	22,500	95%	21,375	-7%	19,879	28%	0.87	5.10%	389,779	-5%	370,290	3.3%	386,247	18.1	16%	10%
Household Products	580,239	24.2	24,000	100%	24,000	-5%	22,800	8%	0.98	5.00%	456,000	15%	524,400	2.4%	551,405	23.0	-5%	-11%
Personal Care Products	60,298	21.5	2,800	110%	3,080	-7%	2,864	16%	0.93	5.25%	54,560	20%	65,472	3.1%	68,487	22.2	14%	7%
Tobacco	305,213	15.5	19,700	90%	17,730	-5%	16,844	29%	1.01	4.75%	354,600	-25%	265,950	5.0%	271,850	15.3	-11%	-17%
Energy	1,894	15.7	120.5	100%	120.5	-10%	108	14%	0.90	5.75%	1,886	-15%	1,603	1.6%	1,709	14.2	-10%	-16%
Energy Equipment & Services	131,461	12.5	10,500	100%	10,500	-10%	9,450	13%	0.91	6.00%	157,500	0%	157,500	2.3%	167,297	15.9	27%	21%
Oil Gas & Consumable Fuels	1,762,858	16.0	110,000	100%	110,000	-10%	99,000	14%	0.90	5.75%	1,721,739	-15%	1,463,478	2.9%	1,542,113	14.0	-13%	-19%
FINANCIALS	7,099	17.5	405.0	99%	399.9	-7.3%	371	0%	1.11	5.75%	6,449	0%	6,449	1.5%	6,882	17.2	-3%	-9%
Capital Markets	1,563,561	19.3	81,000	95%	76,950	-10%	69,255	2%	1.09	6.00%	1,154,250	0%	1,154,250	1.7%	1,232,643	16.0	-21%	-27%
Banks	1,867,612	13.7	136,500	100%	136,500	-7%	126,945	N/A	1.14	6.00%	2,115,750	-10%	1,904,175	2.4%	2,020,506	14.8	8%	2%
Consumer Finance	318,120	15.1	21,000	95%	19,950	-10%	17,955	N/A	1.15	6.00%	299,250	-10%	269,325	1.1%	289,181	14.5	-9%	-15%
Financial Services	2,234,704	24.8	90,000	100%	90,000	-5%	85,500	0%	1.00	5.25%	1,628,571	15%	1,872,857	0.3%	2,011,868	22.4	-10%	-16%
Insurance	1,114,604	14.6	76,500	100%	76,500	-7%	71,145	N/A	1.14	5.75%	1,237,304	-5%	1,175,439	1.3%	1,257,110	16.4	13%	6%
Health Care	5,304	17.5	303.0	98%	297.8	-8.0%	274	10%	1.14	5.20%	5,269	13%	5,928	1.3%	6,305	21.2	19%	13%
Biotechnology	806,254	16.1	50,000	100%	50,000	-10%	45,000	13%	1.33	5.50%	818,182	20%	981,818	2.5%	1,035,695	20.7	28%	22%
Health Care Equipment & Supplies	1,145,654	24.1	47,500	100%	47,500	-5%	45,125	8%	1.14	5.00%	902,500	25%	1,128,125	1.0%	1,201,989	25.3	5%	-1%
Health Care Providers & Services	1,223,351	15.3	80,000	100%	80,000	-7%	74,400	10%	1.06	5.20%	1,430,769	0%	1,430,769	1.4%	1,521,108	19.0	24%	18%
Life Sciences Tools & Services	521,652	23.7	22,000	100%	22,000	-5%	20,900	10%	1.18	5.20%	401,923	20%	482,308	0.3%	517,863	23.5	-1%	-7%
Pharmaceuticals	1,607,395	15.5	103,500	95%	98,325	-10%	88,493	11%	1.27	5.20%	1,701,779	10%	1,871,957	2.5%	1,969,990	20.0	23%	16%
INDUSTRIALS	4,119	21.6	190.5	103%	195.9	-5.0%	186	15%	0.88	5.25%	3,544	10%	3,899	1.4%	4,147	21.2	1%	-6%
Aerospace & Defense	908,104	23.4	38,800	115%	44,620	-5%	42,389	17%	1.09	5.20%	815,173	15%	937,449	1.2%	998,069	22.4	10%	4%
Air Freight & Logistics	204,722	16.4	12,500	95%	11,875	-5%	11,281	15%	0.71	5.50%	205,114	0%	205,114	3.2%	214,993	18.1	5%	-1%
Passenger Airlines	87,845	9.8	9,000	90%	8,100	-12%	7,128	71%	0.07	8.50%	83,859	0%	83,859	0.9%	92,304	11.4	5%	-1%
Building Products	278,366	24.2	11,500	95%	10,925	-5%	10,379	15%	1.07	5.20%	199,591	10%	219,550	1.1%	234,115	21.4	-16%	-22%
Commercial Services & Supplies	218,017	30.3	7,200	100%	7,200	0%	7,200	10%	0.86	4.80%	150,000	10%	165,000	1.1%	175,245	24.3	-20%	-26%
Construction & Engineering	47,768	29.9	1,600	110%	1,760	-5%	1,672	8%	1.18	5.25%	31,848	15%	36,625	0.1%	39,423	22.4	-17%	-24%

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

	Market Value (\$bn)	Current 2025 PE	2025E Earnings (\$bn)	Normal Ratio	Normal 2025E Earnings	Accounting Quality Adjustment	Fully Adjusted Earnings	Net Debt / Market Cap	FCF / EPS	Real CoE	Steady State Value	Growth Premium	2025 Start Fair Value (\$bn)	2025E Dividend Yield	2025 End Fair Value (\$bn)	Fair PE on Normal 2025 EPS	2025 End Upside %	2025 End Upside vs. S&P 500
Electrical Equipment	331,422	22.1	15,000	110%	16,500	-5%	15,675	6%	N/A	5.25%	298,571	20%	358,286	1.2%	381,899	23.1	15%	9%
Industrial Conglomerates	228,773	19.9	11,500	100%	11,500	-5%	10,925	13%	1.05	5.20%	210,096	5%	220,601	2.0%	233,266	20.3	2%	-4%
Machinery	868,979	19.3	45,000	100%	45,000	-5%	42,750	19%	0.96	5.40%	791,667	5%	831,250	1.3%	886,055	19.7	2%	-4%
Professional Services	332,125	26.8	12,400	100%	12,400	0%	12,400	6%	1.09	5.00%	248,000	15%	285,200	1.5%	302,272	24.4	-9%	-15%
Ground Transportation	453,116	23.2	19,500	100%	19,500	-10%	17,550	16%	0.65	5.00%	351,000	10%	386,100	1.3%	410,157	21.0	-9%	-16%
Trading Companies & Distributors	160,091	24.6	6,500	100%	6,500	-5%	6,175	11%	0.78	5.20%	118,750	10%	130,625	1.1%	139,303	21.4	-13%	-19%
INFORMATION TECHNOLOGY	15,730	28.1	560.0	103%	578.3	-2%	567	2%	0.95	5.10%	11,111	40%	15,556	0.7%	16,628	28.8	6%	-1%
Communications Equipment	440,769	20.0	22,000	100%	22,000	-7%	20,460	-4%	1.07	5.20%	393,462	10%	432,808	1.7%	458,805	20.9	4%	-2%
Technology Hardware Storage & Peripherals	3,830,263	28.6	134,000	100%	134,000	-1%	132,660	2%	1.03	5.00%	2,653,200	35%	3,581,820	0.5%	3,833,154	28.6	0%	-6%
Electronic Equipment Instruments & Components	292,839	21.7	13,500	100%	13,500	-7%	12,555	9%	1.07	5.50%	228,273	15%	262,514	1.0%	280,989	20.8	-4%	-10%
IT Services	563,418	22.1	25,500	100%	25,500	-3%	24,735	8%	1.18	5.00%	494,700	20%	593,640	1.9%	627,146	24.6	11%	5%
Semiconductors & Semiconductor Equipment	5,585,600	27.5	203,000	105%	213,150	-5%	202,493	2%	0.92	5.50%	3,681,682	35%	4,970,270	0.5%	5,343,795	25.1	-4%	-11%
Software	5,017,005	31.0	162,000	105%	170,100	2%	173,502	1%	0.90	4.90%	3,540,857	50%	5,311,286	0.6%	5,671,955	33.3	13%	7%
MATERIALS	1,137	22.1	51.5	98%	50.5	-7%	47	16%	0.90	5.50%	853	10%	938	1.2%	1,002	19.9	-12%	-18%
Chemicals	702,561	22.3	31,500	100%	31,500	-5%	29,925	17%	0.81	5.35%	559,346	15%	643,248	1.8%	682,036	21.7	-3%	-9%
Construction Materials	73,002	29.2	2,500	95%	2,375	-10%	2,138	7%	0.82	5.75%	37,174	0%	37,174	0.6%	40,019	16.8	-45%	-51%
Containers & Packaging	203,406	24.5	8,300	100%	8,300	-10%	7,470	31%	1.12	5.50%	135,818	0%	135,818	1.7%	144,399	17.4	-29%	-35%
Metals & Mining	158,222	17.2	9,200	90%	8,280	-10%	7,452	7%	0.62	6.00%	124,200	0%	124,200	1.8%	132,570	16.0	-16%	-23%
REAL ESTATE	1,022	18.3	56.0	100%	56.1	-10%	50	35%	1.79	5.25%	961	5%	1,009	3.3%	1,054	18.8	3%	-3%
Health Care REITs	113,186	18.9	6,000	100%	6,000	-7%	5,580	36%	7.80	4.75%	117,474	0%	117,474	3.5%	121,892	20.3	8%	1%
Hotel & Resort REITs	12,424	8.3	1,500	90%	1,350	-20%	1,080	25%	1.98	7.00%	15,429	-15%	13,114	4.5%	13,767	10.2	11%	5%
Industrial REITs	91,531	17.0	5,400	100%	5,400	-7%	5,022	28%	1.81	5.25%	95,657	5%	100,440	3.9%	104,323	19.3	14%	8%
Office REITs	11,380	12.6	900	90%	810	-20%	648	63%	4.27	6.50%	9,969	0%	9,969	5.0%	10,367	12.8	-9%	-15%
Residential REITs	140,336	18.7	7,500	95%	7,125	-10%	6,413	33%	1.81	4.75%	135,000	0%	135,000	3.4%	140,179	19.7	0%	-6%
Retail REITs	125,410	13.2	9,500	95%	9,025	-15%	7,671	48%	2.03	6.00%	127,854	0%	127,854	5.4%	131,796	14.6	5%	-1%
Specialized REITs	456,269	19.8	23,100	105%	24,255	-10%	21,830	36%	1.23	5.20%	419,798	10%	461,778	3.5%	481,322	19.8	5%	-1%
Real Estate Management & Development	71,866	34.2	2,100	100%	2,100	-3%	2,037	0%	0.95	5.00%	40,740	25%	50,925	-	54,744	26.1	-24%	-30%
COMMUNICATION SERVICES	4,691	19.1	245.0	100%	244.8	-5%	233	11%	0.83	5.10%	4,560	20%	5,472	0.8%	5,845	23.9	25%	18%
Diversified Telecommunication Services	348,719	10.0	35,000	75%	26,250	-15%	22,313	94%	-0.28	4.75%	469,737	-25%	352,303	5.6%	358,279	13.6	3%	-4%
Entertainment	682,145	29.0	23,500	120%	28,200	-8%	25,944	15%	1.59	5.25%	494,171	50%	741,257	0.2%	797,028	28.3	17%	11%
Interactive Media & Services	3,235,043	20.9	155,000	105%	162,750	-2%	159,495	-4%	0.69	5.15%	3,096,990	25%	3,871,238	0.4%	4,151,952	25.5	28%	22%
Media	300,457	11.6	26,000	85%	22,100	-10%	19,890	69%	0.99	5.50%	361,636	-15%	307,391	2.1%	325,595	14.7	8%	2%
Wireless Telecommunication Services	124,221	22.6	5,500	100%	5,500	-8%	5,060	39%	1.41	4.75%	106,526	10%	117,179	1.1%	124,366	22.6	0%	-6%
UTILITIES	1,206	17.6	68.5	111%	76.1	-7.0%	71	79%	-0.81	5.25%	1,348	0%	1,348	3.0%	1,412	18.6	17%	11%
Electric Utilities	770,260	17.2	44,900	111%	49,839	-7%	46,350	80%	1.15	5.20%	891,351	7%	953,746	2.9%	999,214	20.0	30%	23%
Gas Utilities	20,846	19.0	1,100	100%	1,100	-5%	1,045	43%	-1.16	5.00%	20,900	0%	20,900	2.6%	21,926	19.9	5%	-1%
Independent Power and Renewable Electric	69,499	17.8	3,900	125%	4,875	-10%	4,388	80%	-4.16	7.00%	62,679	10%	68,946	1.1%	74,708	15.3	7%	1%
Multi-Utilities	320,262	18.3	17,500	110%	19,250	-7%	17,903	79%	-1.06	5.20%	344,279	0%	344,279	3.2%	359,600	18.7	12%	6%
Water Utilities	24,856	23.7	1,050	100%	1,050	-3%	1,019	51%	-0.97	4.50%	22,633	0%	22,633	2.4%	23,675	22.5	-5%	-11%

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S&P 500 Intrinsic Valuation Model

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

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

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

2025E S&P 500 Normalized EPS

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

DWS September 2025 equity index targets

Index	3M relative View	Current Level	Previous Target CIO Day Sep	Target Dec 25	Chg in Target	Expected Total Return Dec 25	Assumptions							
							thereof	EPS growth NTM*	LTM multiple impact	Dividend Yield	EPS NTM* (e)	EPS NTM DWS vs. Cons.	Target LTM P/E in Dec 25	Target PE discount to US
S&P 500		5,984	5,800	6,500	12%	10.0%	USD	12.2%	-4%	1.3%	275	0.1%	23.5x	
Stoxx 600		502	540	525	-3%	8.2%	EUR	6.0%	-2%	3.6%	37.9	-2.5%	13.9x	-41%
EuroStoxx 50		4,745	5,100	4,950	-3%	7.9%	EUR	6.0%	-2%	3.5%	366	-1.8%	13.6x	-42%
DAX40		19,034	20,000	20,500	2%	7.7%	EUR	6.6%	-3%	3.0%	1450	-4.0%	13.7x	-42%
SMI		11,712	12,350	12,050	-2%	6.3%	CHF	9.0%	-6%	3.4%	736	-0.1%	16.4x	-30%
FTSE 100		8,026	8,350	8,150	-2%	5.6%	GBP	4.0%	-2%	4.0%		-2.9%	11.8x	-50%
MSCI EM		1,103	1,140	1,150	1%	7.1%	USD	11.0%	-4%	2.9%	87.7	-6.0%	13.2x	-44%
MSCI AC Asia xJ		718	740	750	1%	7.1%	USD	11.0%	-4%	2.6%	53.3	-5.9%	14.1x	-40%
MSCI Japan		1,687	1,760	1,770	1%	7.3%	YEN	7.0%	-1%	2.4%	115.6	-0.9%	15.3x	-35%
MSCI Australia		1,652	1,550	1,650	6%	3.5%	AUD	2.0%	-1%	3.6%	89.8	0.1%	18.6x	-21%

Source: DWS Investment Management GmbH as of 11/18/2024. Past performance may not be indicative of future results. Forecasts are not a reliable indicator of future returns. No representation or warranty is made by DWS as to the reasonableness or completeness of the forward-looking statements or to any other financial information contained herein. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect.

S&P 500 industry monitor (1 of 2)

Sector	Industry	PE on 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		30.1	27.0	23.8%	11.6%	1.9%	16.8%	4.9%	1
	<i>Automobile Components</i>	8.4	7.5	11.9%	12.2%	0.3%	-15.9%	49.3%	0
	<i>Automobiles</i>	41.0	37.8	-11.5%	8.4%	1.4%	48.2%	-19.8%	1
	<i>Household Durables</i>	13.3	12.7	8.2%	5.2%	-0.3%	-0.5%	8.6%	0
	<i>Leisure Products</i>	15.9	13.9	12.5%	14.2%	3.0%	-5.3%	10.6%	0
	<i>Textiles Apparel & Luxury Goods</i>	22.2	22.0	6.6%	1.2%	-2.5%	2.2%	-4.2%	-1
	<i>Hotels Restaurants & Leisure</i>	26.9	23.7	26.7%	13.6%	-0.8%	16.4%	1.7%	1
	<i>Distributors</i>	16.7	15.9	-11.9%	5.4%	-8.1%	-4.9%	12.3%	-1
	<i>Broadline Retail</i>	38.0	31.9	127.5%	19.1%	8.3%	12.7%	23.9%	1
	<i>Specialty Retail</i>	25.5	23.9	-0.6%	6.3%	-0.7%	8.6%	0.1%	0
Consumer Staples		22.1	20.9	7.3%	5.6%	-0.7%	0.3%	4.6%	0
	<i>Consumer Staples Distribution & Retail</i>	30.1	28.3	5.8%	6.2%	-1.2%	5.9%	-1.9%	0
	<i>Food Products</i>	15.1	14.8	-5.7%	2.0%	-2.0%	-7.3%	15.8%	-1
	<i>Beverages</i>	20.2	19.1	8.7%	5.8%	-0.1%	-7.7%	19.7%	0
	<i>Tobacco</i>	16.0	14.8	5.8%	7.7%	1.1%	11.7%	-10.9%	1
	<i>Household Products</i>	24.9	23.4	13.4%	6.2%	0.0%	-0.2%	-5.0%	0
	<i>Personal Care Products</i>	22.6	21.3	424.1%	6.0%	-8.0%	-2.3%	13.6%	-1
Energy		15.6	14.9	-24.0%	4.3%	-9.1%	8.6%	-9.8%	-1
	<i>Energy Equipment & Services</i>	13.4	12.5	20.1%	7.9%	-2.3%	6.6%	27.3%	0
	<i>Oil Gas & Consumable Fuels</i>	15.8	15.2	-26.6%	4.0%	-9.7%	8.8%	-12.5%	-1
Financials		18.5	17.2	15.8%	7.4%	1.5%	14.5%	-3.1%	1
	<i>Banks</i>	13.5	13.1	2.2%	2.8%	2.0%	19.0%	8.2%	1
	<i>Financial Services</i>	26.0	24.1	16.4%	7.7%	-0.4%	11.1%	-10.0%	0
	<i>Consumer Finance</i>	15.3	14.8	22.1%	3.7%	4.1%	20.5%	-9.1%	1
	<i>Capital Markets</i>	22.3	19.8	23.4%	12.5%	2.3%	17.9%	-21.2%	1
	<i>Insurance</i>	15.9	14.3	39.8%	11.3%	1.1%	7.7%	12.8%	1
Health Care		20.6	17.1	0.4%	20.1%	-1.6%	-7.8%	18.9%	-1
	<i>Health Care Providers & Services</i>	16.3	14.9	0.8%	9.5%	-3.9%	-3.9%	24.3%	-1
	<i>Health Care Equipment & Supplies</i>	27.2	24.7	17.9%	9.9%	-0.8%	5.6%	4.9%	0
	<i>Life Sciences Tools & Services</i>	25.5	23.4	-5.1%	8.9%	-0.1%	-14.9%	-0.7%	-1
	<i>Biotechnology</i>	20.2	15.4	-16.6%	31.0%	1.9%	-13.8%	28.5%	-1
	<i>Pharmaceuticals</i>	19.8	14.9	3.9%	32.5%	-2.1%	-13.1%	22.6%	-1
Industrials		26.8	22.6	3.9%	18.6%	-4.3%	8.5%	0.7%	0
	<i>Aerospace & Defense</i>	45.4	25.6	-10.9%	77.1%	-29.3%	1.0%	9.9%	-1
	<i>Building Products</i>	25.7	23.7	4.5%	8.2%	-2.1%	12.3%	-15.9%	0
	<i>Trading Companies & Distributors</i>	26.7	24.7	8.0%	8.1%	-0.7%	20.2%	-13.0%	0
	<i>Electrical Equipment</i>	34.1	28.9	24.5%	17.6%	-2.6%	16.9%	15.2%	1
	<i>Construction & Engineering</i>	37.9	32.3	27.3%	17.4%	0.4%	23.1%	-17.5%	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 11/18/2024. 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 industry monitor (2 of 2)

Sector	Industry	PE on 2023 EPS	PE on 2024 Consensus EPS	2024 Consensus EPS Growth	2025 Consensus EPS Growth	2024 EPS Revision 3m	3m Total Return Momentum	2024 End Upside (Intrinsic Valuation)	Combined Signal
	Industrial Conglomerates	20.7	19.1	-2.6%	8.3%	0.4%	10.8%	2.0%	0
	Machinery	20.1	19.7	1.4%	2.0%	0.7%	12.6%	2.0%	0
	Commercial Services & Supplies	36.8	33.4	34.1%	10.1%	-0.1%	6.4%	-19.6%	0
	Professional Services	29.4	27.0	14.0%	9.2%	-0.1%	9.0%	-9.0%	0
	Air Freight & Logistics	17.7	15.5	-10.3%	14.4%	-0.3%	4.8%	5.0%	0
	Passenger Airlines	11.6	9.4	-2.9%	23.6%	6.2%	62.3%	5.1%	1
	Ground Transportation	25.9	22.4	18.4%	15.6%	8.0%	-0.6%	-9.5%	1
Information Technology		34.0	28.0	26.1%	21.2%	0.5%	3.1%	5.7%	0
	IT Services	23.8	22.4	9.1%	5.9%	0.8%	6.4%	11.3%	0
	Software	35.8	31.7	19.5%	12.9%	0.3%	4.0%	13.1%	0
	Communications Equipment	20.9	20.0	-4.0%	4.3%	1.7%	12.0%	4.1%	1
	Technology Hardware Storage & Peripherals	30.9	27.5	17.1%	12.4%	0.2%	0.4%	0.1%	0
	Electronic Equipment Instruments & Components	24.7	22.0	4.4%	12.3%	1.1%	5.5%	-4.0%	0
	Semiconductors & Semiconductor Equipment	39.0	27.4	58.1%	42.1%	0.9%	2.8%	-4.3%	0
Materials		23.9	20.2	-12.1%	17.9%	-4.4%	1.7%	-11.9%	-1
	Chemicals	24.2	21.0	-11.9%	15.1%	-4.4%	0.7%	-2.9%	-1
	Construction Materials	36.2	29.3	2.1%	23.7%	-8.7%	11.1%	-45.2%	0
	Metals & Mining	17.8	14.7	-18.1%	21.1%	-4.3%	-3.0%	-16.2%	-1
	Containers & Packaging	29.3	23.1	-2.9%	26.8%	-2.2%	9.8%	-29.0%	-1
Real Estate		40.2	37.7	9.8%	6.8%	0.1%	3.7%	3.1%	0
	Industrial REITs	30.2	34.3	15.3%	-11.9%	33.6%	-6.9%	14.0%	0
	Hotel & Resort REITs	17.9	18.5	-7.2%	-3.5%	-1.6%	6.6%	10.8%	0
	Office REITs	37.7	42.6	-19.6%	-11.6%	-2.7%	13.1%	-8.9%	-1
	Health Care REITs	80.7	74.3	118.7%	8.5%	14.5%	10.4%	7.7%	1
	Residential REITs	42.8	47.8	-6.8%	-10.5%	2.8%	3.8%	-0.1%	0
	Retail REITs	35.4	31.8	-6.9%	11.5%	-6.8%	5.5%	5.1%	-1
	Specialized REITs	39.8	35.2	15.5%	13.0%	-7.0%	3.0%	5.5%	0
	Real Estate Management & Development	39.4	30.9	6.6%	27.7%	3.2%	9.0%	-23.8%	0
Communication Services		21.5	18.7	37.0%	15.0%	3.6%	8.3%	24.6%	1
	Diversified Telecommunication Services	9.7	9.5	-7.4%	2.0%	0.7%	11.5%	2.7%	0
	Wireless Telecommunication Services	25.2	22.2	45.9%	13.6%	1.2%	21.1%	0.1%	1
	Media	11.0	10.7	11.4%	3.3%	1.5%	7.3%	8.4%	0
	Entertainment	66.3	29.0	11.2%	128.3%	-2.8%	22.4%	16.8%	0
	Interactive Media & Services	22.9	20.4	67.6%	11.9%	5.3%	5.0%	28.3%	1
Utilities		19.7	18.2	19.4%	8.6%	0.7%	7.5%	17.1%	0
	Multi-Utilities	20.2	18.4	4.7%	9.9%	0.1%	8.5%	12.3%	0
	Water Utilities	25.9	24.0	8.6%	8.3%	0.3%	-2.7%	-4.8%	0
	Gas Utilities	21.3	20.2	12.4%	5.6%	0.5%	14.3%	5.2%	0
	Electric Utilities	19.3	18.1	25.9%	6.8%	1.4%	5.1%	29.7%	1
	Independent Power and Renewable Electricity Producers	19.8	15.6	34.9%	26.8%	-5.6%	50.8%	7.5%	1
S&P 500		24.8	21.8	12.6%	14.2%	-0.3%	5.6%	7.9%	0

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

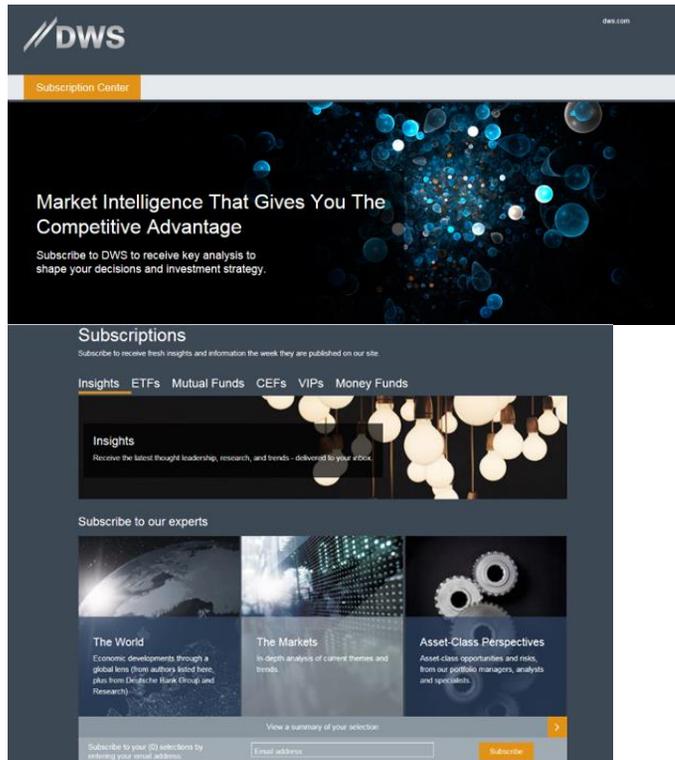
Red – at least 2 of the following 3 must be red: EPS growth, EPS revision, price momentum

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