



S&P 500 EPS TRACKER: 4Q24

Americas CIO View

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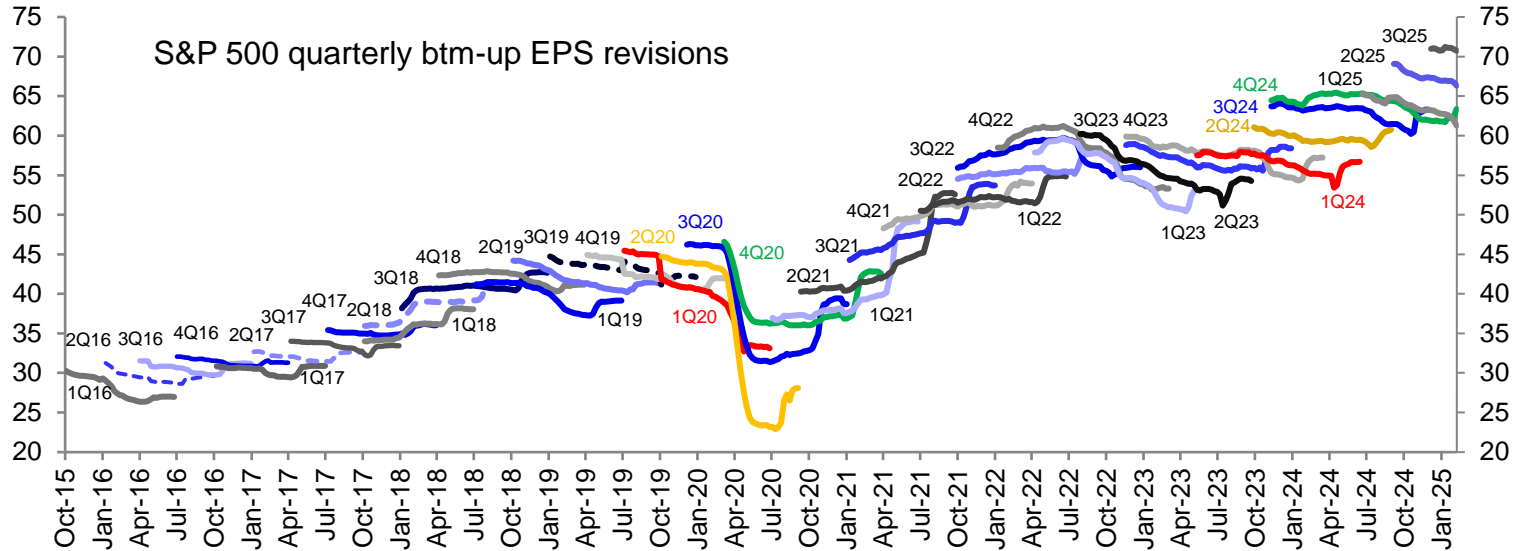
4Q 2024 EARNINGS SEASON OBSERVATIONS



- This data reflects the 303 S&P 500 companies or 76% of index earnings that have reported as of Thursday Feb 6th.
- Bottom-up blended 4Q earnings per share (EPS) is \$64.15 (actual results for companies reported and consensus estimates for the rest), +12.9% year-over-year (y/y). Our estimate for 4Q is \$65. If the rest of the companies beat by 5% in aggregate, then 4Q EPS will finish at \$64.90. Blended sales growth is +3.8% y/y. Blended pro-forma net margin is 13.1%, vs. 12.6% in 3Q24 and 11.7% a year ago.
- Bottom-up 4Q EPS y/y growth is 31.1% at the Great 8 (AAPL, AMZN, GOOG/GOOGL, META, MSFT, NFLX, NVDA, TSLA) and 7.5% at the S&P ex. the Great 8. Bottom-up 4Q sales growth is 12.5% at the Great 8 and 2.6% at the S&P ex. the Great 8.
- S&P 500 ex the Great 8's 2025 consensus EPS have been cut by 5.9% since 2024 start. The Great 8's 2025 consensus EPS have been raised by 17.2% since 2024 start.
- 72% of reporting companies beat on EPS and 22% missed (the rest in-line), with an aggregate surprise of +4.7%, +3.2% ex Financials. Historic average EPS beat is +3.3% (2011-2019 average). 47% beat on sales and 28% missed, with an aggregate surprise of +0.9%, +0.8% ex Financials. Our measures of beat / miss ratios and magnitudes are based on analysts' consensus estimates at the end of the fiscal quarter for each company.
- Bottom-up consensus estimate for 2024 and 2025 S&P EPS are now \$246.02 and \$274.74. Our estimates are \$245 (\$245=\$58+\$60+\$62+\$65) and \$275, up 10% y/y and 12% y/y respectively. This assumes soft manufacturing persists into 2025 and very strong EPS growth from Tech and Communications.
- By sector, 4Q blended EPS y/y growth is strongest at Communication Services (+32% y/y), Financials (29%), Consumer Discretionary (24%), Tech (16%), Health Care (13%) and Utilities (9.1%) and. EPS y/y growth is weakest at Energy (-30% y/y), Industrials (-5.8%) and Consumer Staples (0.1%).
- 4Q blended sales y/y growth is strongest at Tech (+12% y/y), Health Care (8.7%), Communication Services (7.2%), Real Estate (6.4%), Consumer discretionary (5.5%) and Utilities (4.0%). Sales y/y growth is weakest at Financials (-3.3% y/y), Industrials (-3.2%) and Energy (-1.4%).
- Valuations are demanding at both the Great Eight and S&P 492, particularly relative to real interest rate. S&P 500 excluding the Great 8 price-to-earnings (P/E) on 2024 consensus EPS is 21.0x, PE of the Great 8 is 34.8x. Overall S&P PE is 23.9x.
- We see the Great 8 at risk to overly demanding PEs, we see the rest of the S&P 500 at risk to a cyclical downturn. Both are at risk to higher Treasury yields.

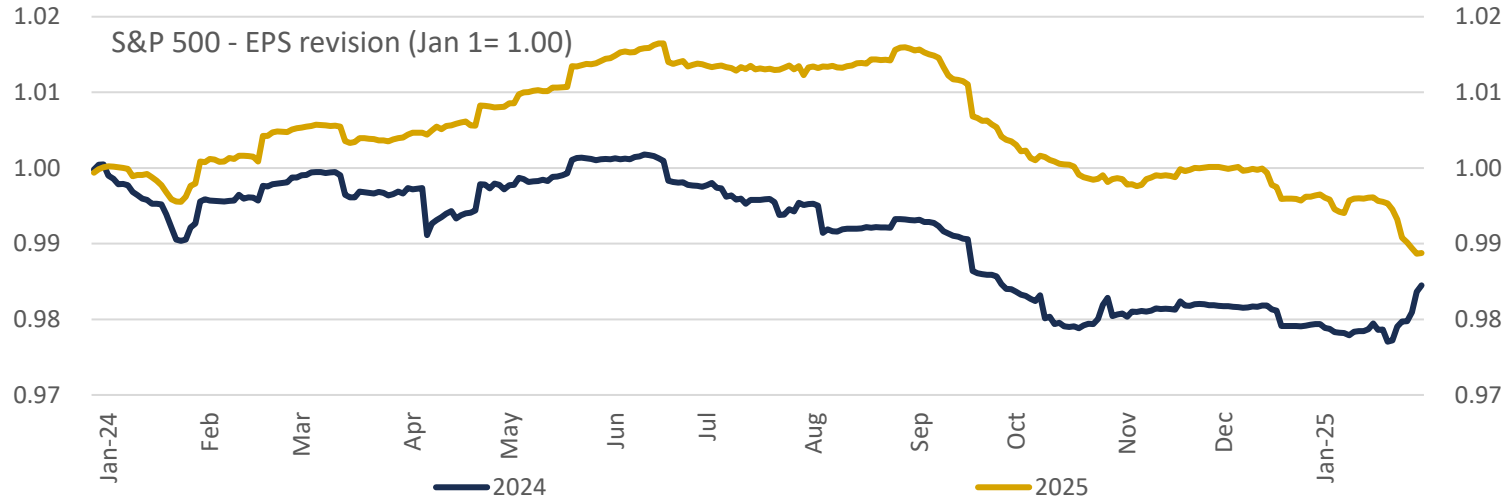
Source: DWS Investment GmbH as of 2/7/2025. For illustrative purposes only. Past performance is not a guarantee of future results. It is not possible to invest directly in an index. Forecasts are not a reliable indicator of future returns. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect. This information should not be construed as a recommendation of any specific security.

S&P 500 QUARTERLY EPS REVISION



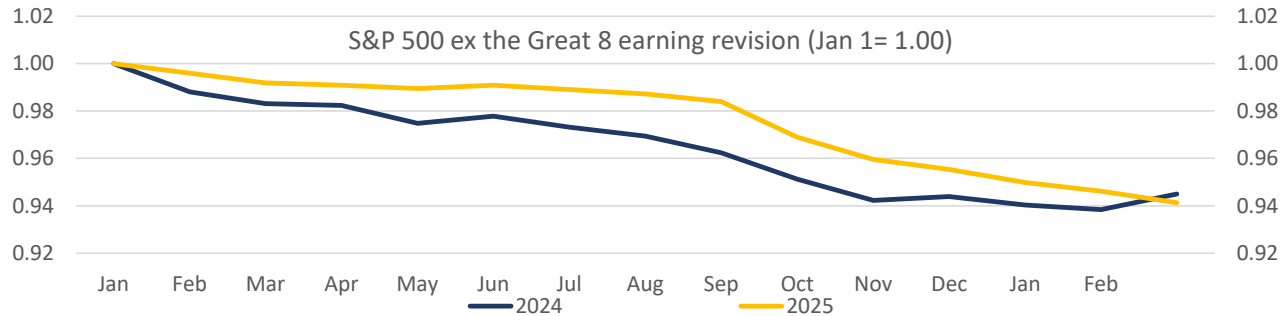
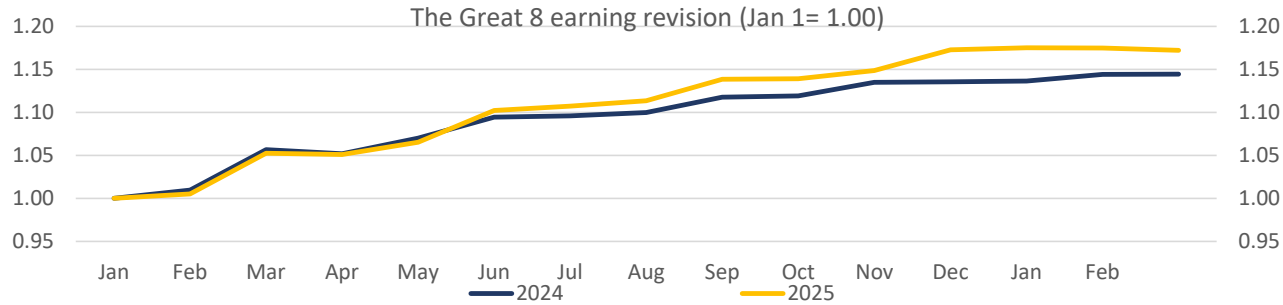
Source: Factset, DWS Investment GmbH as of 2/7/2025. For illustrative purposes only. Past performance is not a guarantee of future results. It is not possible to invest directly in an index. Forecasts are not a reliable indicator of future returns. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect.

S&P 500 EPS REVISION



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S&P 500 AND THE GREAT 8 EPS REVISIONS



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

Source: IBES, Factset, DWS Investment GmbH as of 2/7/2025. Past performance may not be indicative of future results. It is not possible to invest directly in an index. This information should not be construed as a recommendation of any specific security. 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.

4Q 2024 EARNINGS SEASON SUMMARY STATISTICS



	4Q24 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	76.3%	303	72%	22%	4.7%	15.0%	47%	28%	0.9%	3.8%
S&P ex. Tech	79.3%	265	70%	24%	5.1%	16.1%	46%	31%	0.9%	3.4%
S&P 500 ex. Financials & Real Est	75.6%	233	71%	23%	3.2%	11.3%	47%	30%	0.8%	4.6%
S&P 500 ex. Energy	76.4%	291	73%	22%	5.2%	19.1%	45%	29%	0.9%	4.5%
S&P ex. Energy, Financials & Real Est	75.7%	221	72%	23%	3.8%	16.0%	46%	30%	0.8%	5.4%
Communication Services	99.4%	18	89%	6%	8.0%	31.3%	44%	22%	0.5%	7.9%
Consumer Discretionary	70.7%	26	81%	27%	16.5%	39.6%	62%	15%	2.1%	6.1%
Consumer Staples	68.7%	24	58%	25%	2.5%	1.9%	54%	38%	0.3%	2.9%
Energy	73.2%	12	58%	33%	-5.8%	-35.3%	75%	25%	1.1%	-2.2%
Financials	85.0%	58	83%	17%	10.8%	33.2%	52%	28%	1.8%	-0.8%
Health Care	84.2%	36	69%	19%	0.3%	22.7%	67%	11%	1.3%	10.5%
Industrials	85.9%	56	73%	27%	-4.2%	-5.0%	36%	39%	0.1%	-3.1%
Information Technology	67.1%	38	87%	11%	3.3%	11.6%	47%	13%	1.1%	7.8%
Materials	66.6%	18	44%	44%	-2.4%	-5.6%	11%	78%	-2.6%	-5.7%
Real Estate	35.6%	12	42%	33%	2.5%	2.5%	8%	0%	0.0%	1.6%
Utilities	19.8%	5	20%	40%	-2.0%	2.4%	0%	100%	-16.3%	-10.8%
Great 8 *	85.5%	8	88%	13%	6.9%	26.8%	50%	38%	0.1%	9.7%
S&P ex Great 8	72.9%	298	71%	22%	3.8%	10.7%	46%	28%	1.1%	2.7%

* # Beat, # miss and weighted surprise % is based on EPS and sales estimate as of 12/31/2024 (as of 12/1/2024 for pre-season reporters)

EPS is considered beat or miss when the difference between actual and estimate as of 12/31/2024 is more than \$0.01 (12/1/2024 for pre-season reporters)

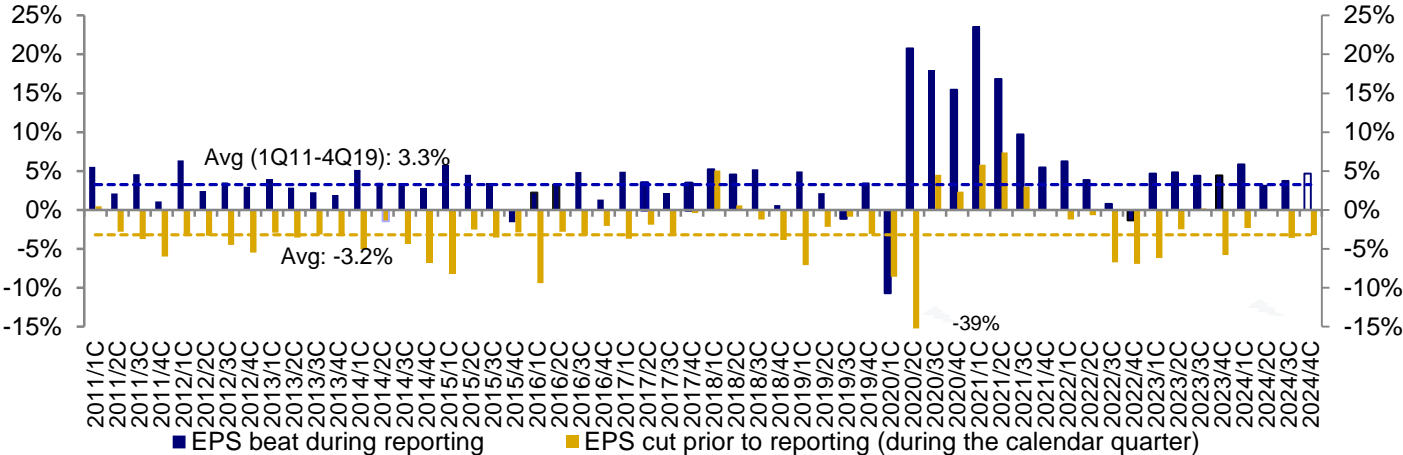
Sales is considered beat or miss when the difference between actual and estimate as of 12/31/2024 is more than \$20 million (12/1/2024 for pre-season reporters)

Source: Factset, DWS Investment GmbH as of 2/7/2025. For illustrative purposes only. It is not possible to invest directly in an index. Past performance is not a guarantee of future results.

S&P 500 QUARTERLY EPS REVISION AND SURPRISE



S&P 500: EPS CUT DURING THE CALENDAR QUARTER VS. EPS BEAT DURING EARNINGS SEASON



Source: Factset, DWS Investment GmbH as of 2/7/2025. For illustrative purposes only. It is not possible to invest directly in an index. Past performance is not a guarantee of future results.

S&P 500 EPS GROWTH BY SECTOR



4Q24 is blended with actual for reported and consensus for the rest

EPS growth (y/y)	2021					2022					2023					2024			
	1Q21	2Q21	3Q21	4Q21	2021	1Q22	2Q22	3Q22	4Q22	2022	1Q23	2Q23	3Q23	4Q23	2023	1Q24	2Q24	3Q24	4Q24
S&P 500	49.8%	88.9%	40.0%	31.9%	54.9%	10.4%	7.9%	4.7%	-3.1%	1.2%	0.1%	-2.1%	7.1%	9.3%	2.9%	7.9%	12.7%	9.1%	12.9%
S&P 500 ex. Tech	49.4%	100.3%	39.9%	34.4%	51.8%	9.6%	9.9%	6.4%	-1.0%	6.4%	2.3%	-3.8%	5.2%	5.0%	2.4%	3.8%	10.7%	6.7%	12.0%
S&P 500 ex. Financials & Real Est	38.3%	77.6%	42.1%	38.2%	54.7%	17.5%	14.2%	8.6%	-2.0%	4.3%	-1.3%	-4.5%	4.4%	10.6%	1.4%	6.9%	11.7%	9.6%	10.0%
S&P 500 ex. Energy	51.0%	75.6%	32.7%	24.3%	48.1%	5.0%	-2.3%	-2.8%	-7.3%	-5.4%	-1.9%	4.5%	12.5%	12.9%	6.2%	11.0%	13.5%	11.8%	16.1%
S&P ex. Energy, Fin & Real Est	39.3%	61.9%	32.8%	28.2%	46.0%	10.4%	1.1%	-0.9%	-7.3%	-4.1%	-4.0%	3.5%	10.8%	15.3%	5.3%	10.9%	12.8%	13.2%	13.8%
Communication Services	53.9%	68.0%	41.5%	17.6%	39.5%	-4.1%	-13.5%	-21.8%	-27.1%	-17.3%	-10.7%	14.3%	45.6%	52.9%	24.2%	42.9%	8.0%	25.7%	32.2%
Consumer Discretionary	168.5%	380.3%	19.0%	90.4%	93.0%	-25.7%	-7.8%	20.5%	-13.5%	-4.9%	57.0%	54.6%	37.8%	35.8%	44.5%	26.9%	14.9%	11.4%	23.6%
Cons. Disc. ex. Auto	105.1%	224.4%	37.4%	110.4%	91.6%	-36.5%	-18.4%	14.1%	-26.3%	-12.8%	85.9%	62.6%	50.1%	67.1%	63.0%	42.2%	20.4%	9.9%	23.0%
Cons. Disc. ex. Broadline Retail	168.0%	2148.5%	39.8%	90.3%	113.7%	15.5%	25.7%	23.8%	34.4%	28.1%	23.5%	26.5%	23.1%	6.1%	19.0%	7.5%	1.3%	1.6%	3.4%
Cons. Disc. ex. Auto & Broadline Retail	81.2%	561.8%	79.1%	128.0%	117.4%	19.5%	17.3%	17.2%	26.7%	27.5%	31.0%	26.1%	32.6%	26.3%	28.3%	17.3%	3.9%	-2.3%	-1.6%
Consumer Staples	21.1%	16.1%	6.7%	7.0%	12.8%	2.2%	-3.4%	-0.7%	-1.6%	0.7%	3.5%	10.1%	8.3%	8.7%	7.5%	7.1%	3.6%	4.4%	0.1%
Energy	9.2%	244%	193.2%	7749%	-1172%	252.3%	304.3%	147.5%	63.4%	159.1%	26.4%	-47.7%	-32.8%	-22.8%	-25.4%	-24.7%	0.0%	-26.8%	-30.0%
Financials	115.9%	162.2%	34.5%	12.5%	62.4%	-13.3%	-15.6%	-12.1%	-9.5%	-12.6%	6.9%	9.6%	22.5%	5.1%	10.7%	12.6%	19.0%	7.9%	28.6%
Health Care	27.3%	24.9%	27.3%	26.4%	27.4%	17.3%	9.0%	0.4%	-3.3%	7.0%	-14.3%	-26.1%	-17.5%	-14.3%	-19.4%	-24.7%	19.1%	14.2%	13.2%
Industrials	7.7%	246.2%	59.7%	31.0%	63.7%	23.7%	18.6%	14.1%	36.4%	18.3%	18.4%	20.3%	16.0%	9.6%	20.7%	6.9%	2.6%	-2.6%	-5.8%
Industrials ex. Aerospace & Defense	6.7%	172.1%	69.3%	41.8%	71.6%	27.6%	27.3%	23.7%	20.8%	21.3%	18.1%	20.2%	10.6%	8.9%	19.5%	4.1%	3.1%	7.3%	0.2%
Industrials ex. Transportation	21.5%	107.8%	22.6%	2.3%	29.7%	9.8%	8.4%	6.5%	37.8%	14.0%	16.7%	16.8%	23.1%	12.4%	17.1%	12.3%	4.8%	-10.7%	-8.9%
Information Technology	51.6%	52.7%	40.3%	24.0%	65.7%	13.3%	-0.8%	-2.1%	-10.2%	-15.3%	-8.3%	5.6%	15.9%	25.9%	4.8%	26.0%	20.7%	18.7%	15.5%
Materials	52.6%	146.4%	100.4%	78.1%	95.2%	51.6%	20.6%	-8.3%	-21.7%	8.1%	-22.6%	-26.6%	-17.5%	-18.0%	-22.0%	-16.1%	-3.6%	-6.6%	1.9%
Real Estate	9.2%	30.3%	18.8%	10.3%	15.4%	16.9%	10.8%	10.6%	9.1%	12.1%	-2.3%	-0.1%	-0.9%	0.2%	0.3%	3.9%	-1.9%	1.6%	5.0%
Utilities	-22.4%	7.0%	7.1%	7.6%	-4.0%	44.7%	-17.3%	-3.8%	-13.3%	1.4%	-20.8%	12.6%	5.1%	28.3%	8.2%	24.1%	15.9%	16.8%	9.1%

Note: Based on S&P 500 current index constituents compiled as of 9/30/2024.

Source: Factset, DWS Investment GmbH as of 2/7/2025. For illustrative purposes only. It is not possible to invest directly in an index. Past performance is not a guarantee of future results.

S&P 500 SALES GROWTH BY SECTOR



4Q24 is blended with actual for reported and consensus for the rest

Sales growth (y/y)	2021					2022					2023					2024			
	1Q21	2Q21	3Q21	4Q21	2021	1Q22	2Q22	3Q22	4Q22	2022	1Q23	2Q23	3Q23	4Q23	2023	1Q24	2Q24	3Q24	4Q24
S&P 500	9.5%	21.8%	13.9%	15.2%	15.0%	13.6%	12.2%	13.0%	9.0%	11.9%	9.1%	7.1%	5.0%	6.2%	6.8%	4.5%	5.8%	7.0%	3.8%
S&P 500 ex. Tech	10.5%	25.0%	15.8%	15.7%	17.0%	13.5%	12.3%	12.5%	9.2%	11.7%	9.2%	6.9%	5.0%	6.4%	7.0%	4.6%	5.8%	7.4%	2.8%
S&P 500 ex. Financials & Real Est	11.9%	26.6%	17.4%	16.5%	19.0%	15.4%	13.3%	12.5%	8.0%	11.6%	7.0%	4.8%	4.0%	6.1%	6.0%	4.2%	6.2%	8.0%	4.9%
S&P 500 ex. Energy	12.4%	20.7%	13.5%	11.6%	14.2%	10.4%	6.7%	8.7%	7.1%	8.1%	9.0%	10.7%	7.1%	8.2%	8.9%	5.7%	6.2%	9.1%	4.3%
S&P ex. Energy, Fin & Real Est	12.7%	22.2%	13.8%	11.8%	15.8%	11.9%	7.4%	8.8%	7.3%	8.1%	8.2%	9.9%	6.7%	7.9%	9.1%	5.0%	6.0%	9.5%	5.5%
Communication Services	8.4%	22.3%	13.3%	22.7%	19.9%	8.0%	7.6%	5.6%	4.4%	2.4%	5.0%	3.3%	5.9%	6.5%	5.0%	6.7%	5.9%	10.9%	7.2%
Consumer Discretionary	22.5%	39.4%	12.3%	12.4%	14.3%	10.8%	12.7%	16.0%	11.2%	11.4%	8.9%	9.8%	7.1%	5.8%	8.2%	5.7%	5.0%	6.2%	5.5%
<i>Cons. Disc. ex. Auto</i>	27.4%	33.5%	18.6%	14.7%	15.9%	10.7%	9.5%	11.6%	7.8%	8.1%	6.6%	6.4%	6.8%	6.8%	7.2%	6.6%	4.7%	5.7%	6.0%
<i>Cons. Disc. ex. Broadline Retail</i>	16.2%	45.0%	11.4%	13.7%	11.7%	12.2%	14.9%	16.6%	12.4%	12.3%	8.8%	9.4%	5.2%	2.7%	6.9%	3.3%	3.3%	4.5%	3.4%
<i>Cons. Disc. ex. Auto & Broadline Retail</i>	20.5%	37.6%	20.4%	18.1%	13.2%	12.7%	10.9%	10.4%	7.4%	7.7%	5.3%	4.3%	3.9%	2.8%	4.8%	3.6%	2.1%	2.9%	3.2%
Consumer Staples	5.2%	11.4%	10.8%	9.3%	10.5%	9.2%	9.3%	9.2%	6.1%	6.5%	5.3%	3.0%	3.6%	3.0%	1.3%	1.2%	4.2%	2.0%	1.6%
Energy	3.6%	108.2%	71.3%	89.0%	65.6%	56.6%	77.4%	49.4%	14.5%	47.5%	-3.4%	-28.6%	-15.7%	-9.8%	-16.5%	-3.7%	7.9%	-5.4%	-1.4%
Financials	11.3%	12.4%	11.9%	9.8%	4.9%	1.1%	1.7%	7.6%	6.2%	7.6%	14.5%	16.1%	9.8%	9.8%	8.2%	9.7%	7.3%	7.3%	-3.3%
Health Care	10.0%	19.4%	15.9%	14.4%	15.1%	15.5%	10.6%	5.9%	4.7%	8.9%	3.6%	5.0%	6.2%	7.3%	4.0%	6.8%	7.7%	10.4%	8.7%
Industrials	1.5%	27.3%	16.4%	13.3%	17.4%	12.9%	13.2%	13.1%	11.0%	10.5%	6.3%	3.5%	3.3%	5.5%	4.3%	3.7%	2.8%	0.4%	-3.2%
<i>Industrials ex. Aerospace & Defense</i>	6.5%	35.3%	22.8%	20.3%	24.0%	19.2%	18.9%	16.6%	10.7%	13.1%	9.2%	4.9%	4.4%	6.0%	4.0%	2.4%	2.3%	0.1%	-0.1%
<i>Industrials ex. Transportation</i>	2.6%	21.0%	9.3%	5.6%	14.2%	6.1%	6.3%	10.1%	11.9%	7.1%	7.3%	7.1%	6.8%	8.1%	6.2%	4.5%	2.5%	-1.2%	-5.7%
Information Technology	22.7%	20.9%	24.0%	15.6%	17.4%	13.7%	8.3%	7.0%	-2.7%	7.2%	-2.5%	-0.2%	2.7%	7.7%	0.4%	7.7%	10.6%	12.6%	11.7%
Materials	16.2%	39.6%	36.8%	42.1%	30.0%	24.2%	17.4%	5.9%	-4.5%	12.1%	-6.9%	-11.4%	-9.6%	-4.0%	-20.0%	2.2%	1.8%	8.6%	2.9%
Real Estate	2.9%	19.2%	16.6%	18.4%	12.6%	20.7%	17.1%	14.3%	8.0%	14.6%	6.1%	6.4%	6.5%	8.2%	6.7%	7.4%	5.4%	6.9%	6.4%
Utilities	9.4%	5.4%	4.7%	52.1%	20.8%	19.5%	30.1%	32.8%	20.2%	10.9%	12.6%	-2.6%	-6.2%	-8.0%	-1.1%	-8.2%	4.0%	4.0%	4.0%

Note: Based on S&P 500 current index constituents compiled as of 9/30/2024.

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S&P 500 NET MARGINS BY SECTOR



4Q24 is blended with actual for reported and consensus for the rest

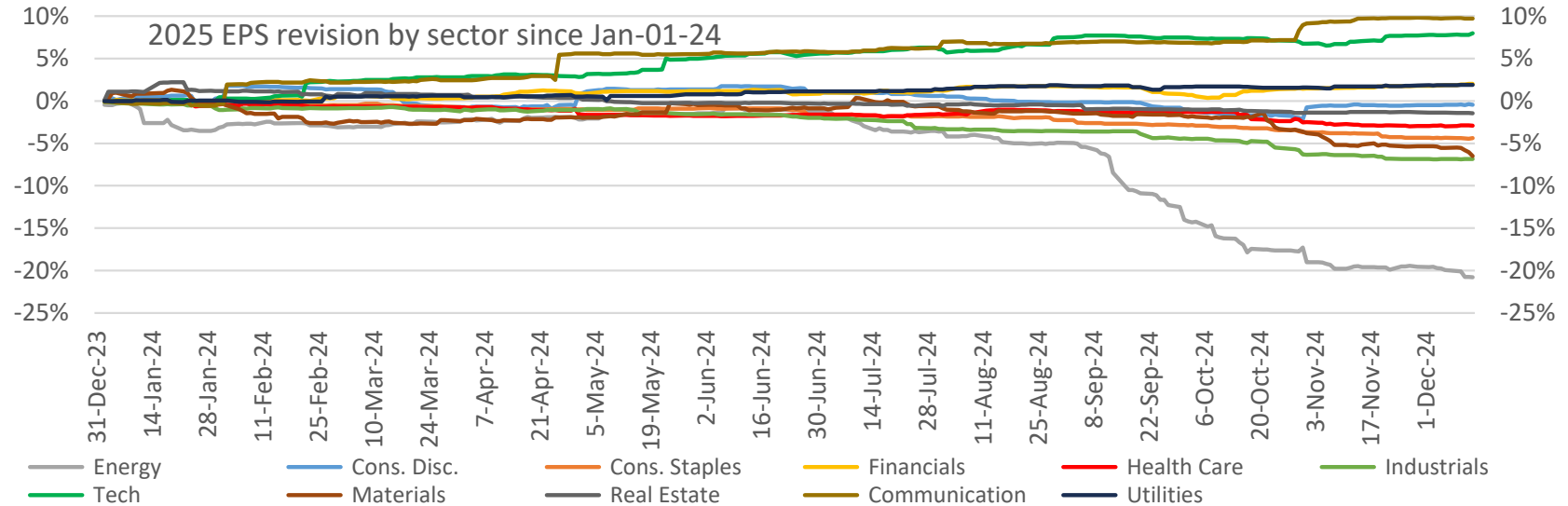
Net margins	2021					2022					2023					2024			
	1Q21	2Q21	3Q21	4Q21	2021	1Q22	2Q22	3Q22	4Q22	2022	1Q23	2Q23	3Q23	4Q23	2023	1Q24	2Q24	3Q24	4Q24
S&P 500	13.7%	13.9%	13.7%	13.2%	14.2%	13.1%	13.1%	12.6%	11.6%	12.6%	11.9%	11.9%	12.7%	11.7%	12.0%	12.1%	12.4%	12.6%	13.1%
S&P 500 ex. Tech	12.4%	12.6%	12.4%	11.6%	12.2%	11.8%	12.1%	11.5%	10.3%	11.4%	10.8%	10.7%	11.3%	10.0%	10.7%	10.5%	11.0%	11.0%	11.2%
S&P 500 ex. Financials & Real Est	11.9%	12.3%	12.5%	12.1%	12.7%	12.0%	12.2%	11.8%	10.7%	11.7%	10.8%	10.9%	11.6%	11.0%	10.9%	10.9%	11.3%	11.7%	11.9%
S&P 500 ex. Energy	14.4%	14.5%	14.2%	13.6%	14.7%	13.4%	13.0%	12.4%	11.5%	12.6%	11.8%	12.1%	12.8%	11.8%	12.1%	12.3%	12.7%	13.0%	13.6%
S&P ex. Energy, Fin & Real Est	12.6%	12.9%	12.9%	12.4%	13.3%	12.2%	11.9%	11.5%	10.4%	11.5%	10.6%	11.0%	11.7%	11.0%	10.9%	11.1%	11.5%	12.0%	12.3%
Communication Services	19.9%	19.8%	19.1%	18.0%	18.4%	17.4%	15.0%	13.2%	11.6%	14.0%	14.1%	15.9%	17.6%	16.3%	16.0%	18.5%	15.9%	19.6%	19.8%
Consumer Discretionary	8.0%	8.3%	7.9%	8.4%	8.0%	5.1%	6.5%	8.0%	6.2%	6.6%	7.1%	9.0%	10.1%	7.9%	8.6%	8.3%	9.5%	10.3%	9.1%
Cons. Disc. ex. Auto	7.7%	9.0%	8.3%	8.9%	8.1%	4.1%	6.3%	8.1%	5.7%	6.1%	6.8%	9.4%	11.2%	8.8%	9.1%	8.7%	10.4%	11.2%	10.2%
Cons. Disc. ex. Broadline Retail	8.0%	8.7%	9.5%	7.4%	8.2%	7.9%	9.1%	9.8%	8.5%	9.0%	8.6%	10.2%	11.2%	8.5%	9.7%	8.6%	9.6%	10.4%	8.3%
Cons. Disc. ex. Auto & Broadline Retail	7.5%	9.8%	10.6%	7.8%	8.3%	7.5%	9.8%	10.7%	8.7%	9.3%	8.8%	11.5%	13.3%	10.4%	11.1%	9.5%	11.1%	12.0%	9.8%
Consumer Staples	6.9%	7.0%	6.8%	6.4%	6.5%	6.3%	6.1%	6.1%	5.8%	6.0%	6.1%	6.5%	6.3%	6.1%	6.3%	6.5%	6.4%	6.4%	6.5%
Energy	4.4%	6.3%	8.8%	9.3%	7.3%	10.1%	14.3%	14.3%	12.7%	12.7%	12.6%	9.9%	10.7%	10.5%	10.8%	9.6%	9.2%	8.5%	7.7%
Financials	23.4%	22.9%	20.4%	19.8%	22.8%	19.4%	18.3%	16.2%	16.5%	18.0%	17.8%	17.0%	17.8%	15.5%	18.1%	17.9%	18.5%	17.5%	20.3%
Health Care	11.6%	11.4%	11.4%	10.4%	10.9%	11.7%	11.1%	10.6%	9.5%	10.6%	9.5%	7.7%	8.1%	7.4%	8.1%	6.6%	8.3%	8.3%	7.7%
Industrials	8.2%	9.7%	9.7%	8.4%	8.7%	8.8%	9.8%	9.4%	10.1%	9.0%	9.5%	11.2%	10.4%	10.3%	10.2%	9.6%	11.0%	9.9%	9.7%
Industrials ex. Aerospace & Defense	9.5%	10.6%	11.2%	10.7%	9.8%	9.9%	11.1%	11.4%	11.3%	10.3%	10.3%	12.4%	11.8%	11.4%	11.6%	10.3%	12.2%	12.3%	11.5%
Industrials ex. Transportation	10.0%	10.7%	10.5%	8.7%	9.6%	10.2%	10.6%	9.8%	10.4%	10.1%	10.7%	11.3%	11.1%	10.8%	10.8%	11.3%	11.5%	9.9%	10.1%
Information Technology	24.2%	24.4%	24.7%	25.1%	29.6%	23.9%	22.2%	22.4%	22.7%	23.1%	22.0%	23.1%	25.0%	26.3%	23.8%	25.7%	25.2%	26.2%	27.2%
Materials	12.4%	15.6%	14.4%	14.2%	12.4%	14.7%	15.4%	12.0%	11.3%	11.5%	11.9%	12.5%	10.7%	9.6%	11.0%	9.8%	11.9%	9.4%	9.5%
Real Estate	36.0%	36.9%	35.6%	33.6%	35.6%	36.4%	36.6%	36.1%	35.8%	36.4%	35.2%	35.9%	35.1%	34.2%	35.6%	35.5%	34.9%	34.5%	33.9%
Utilities	12.5%	16.4%	19.0%	11.1%	12.2%	15.3%	10.7%	13.8%	8.2%	11.3%	10.8%	12.4%	15.6%	11.5%	12.5%	14.7%	13.9%	17.5%	12.1%

S&P net margins surged to record high of 13.9% in 2021, led by digital firms, and consumer goods producers/retailers. We see some cyclical set-backs in net margins. S&P 500 net margins are cyclical, but not mean reverting, they have been rising since mid-1990s for structural reasons.

Note: Blue represents net margin expansion y/y, Orange represents net margin contraction y/y. Based on S&P 500 current index constituents compiled as of 9/30/2024.

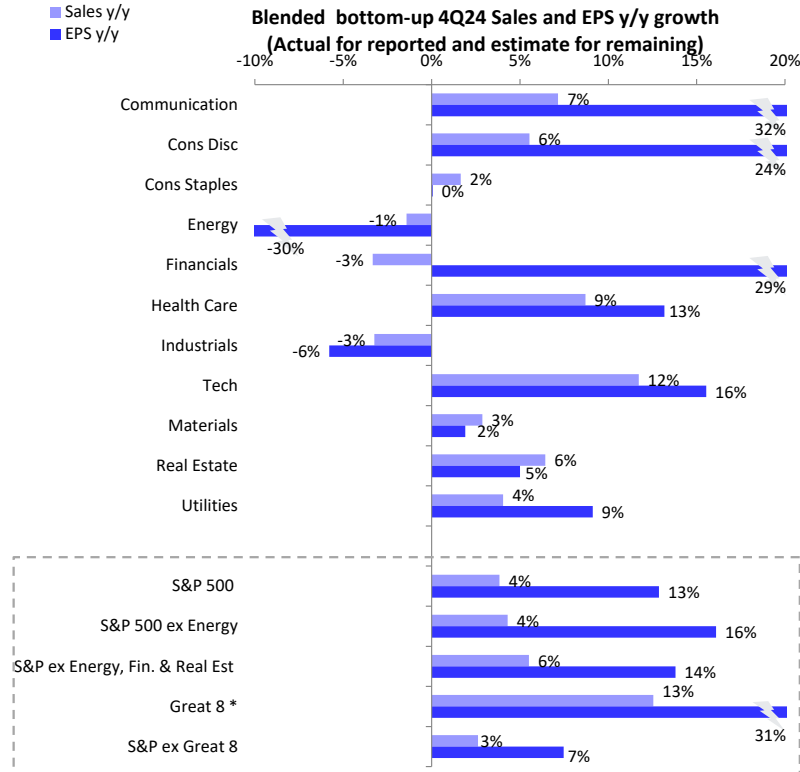
Source: Factset, DWS Investment GmbH as of 2/7/2025. For illustrative purposes only. It is not possible to invest directly in an index. Past performance is not a guarantee of future results.

S&P 500 2025 EPS REVISION BY SECTOR



Source: Factset, DWS Investment GmbH as of 2/7/2025. For illustrative purposes only. Past performance is not a guarantee of future results. It is not possible to invest directly in an index.

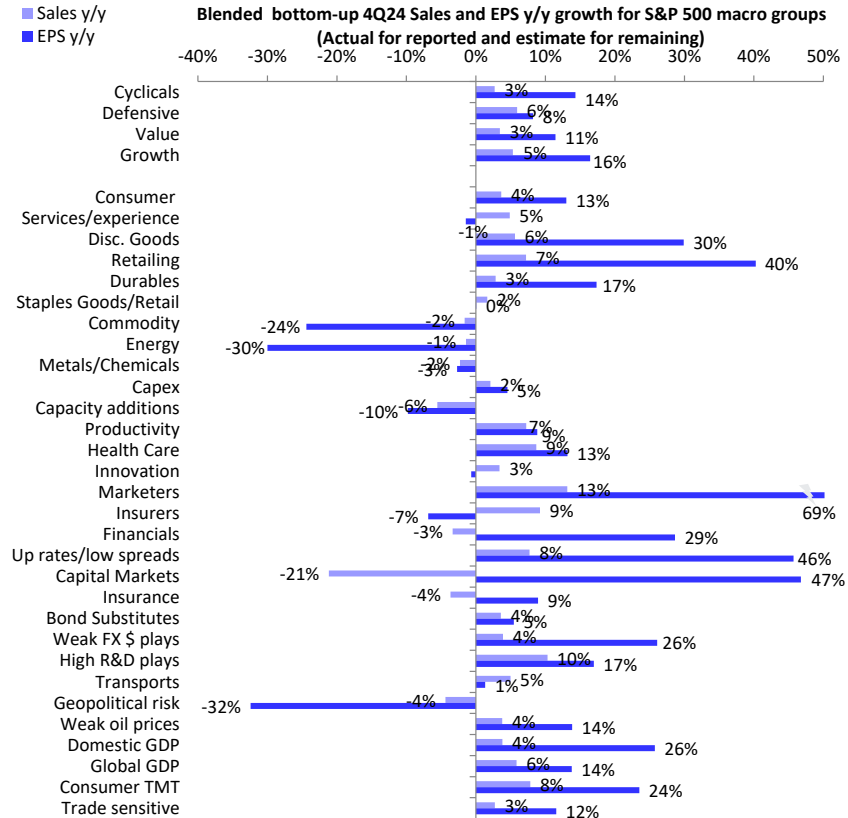
S&P 500 EPS AND SALES Y/Y GROWTH BY SECTOR



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

Source: Factset, DWS Investment GmbH as of 2/7/2025. For illustrative purposes only. It is not possible to invest directly in an index. Past performance is not a guarantee of future results.

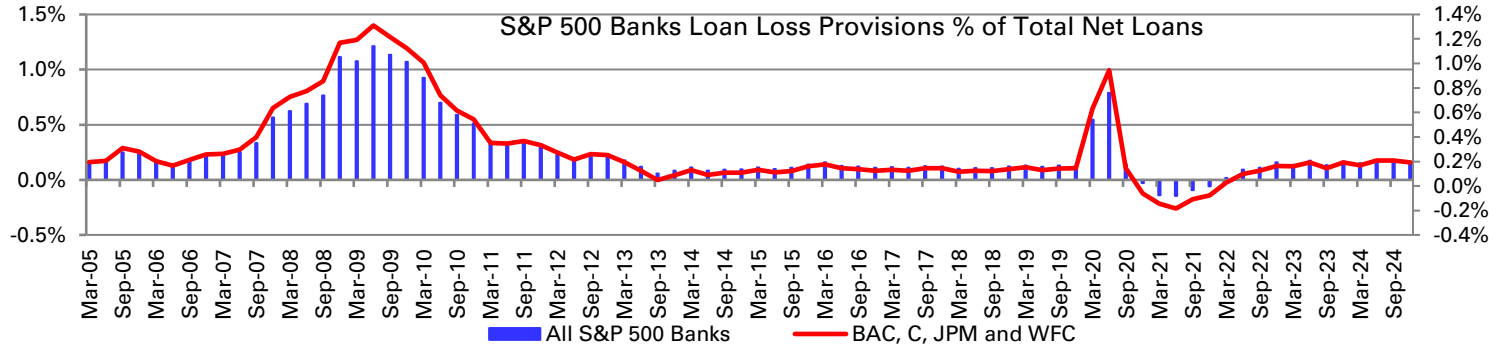
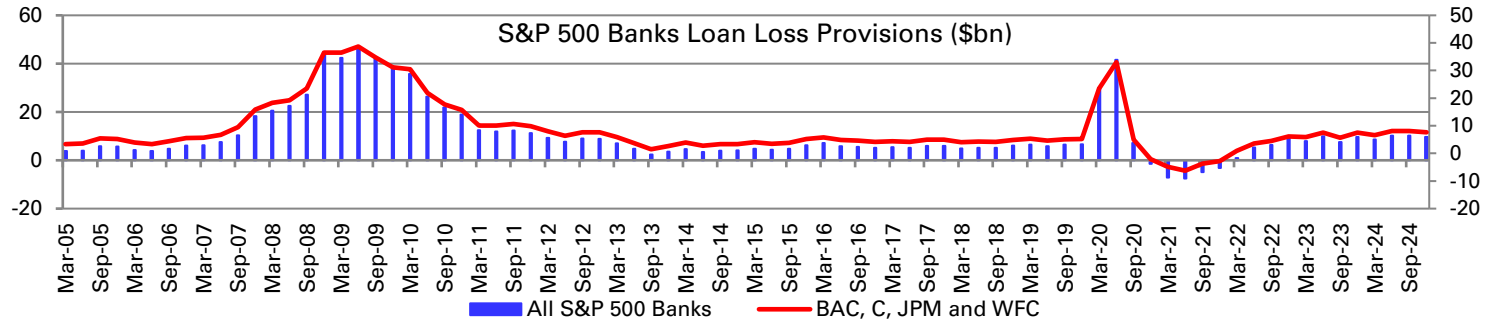
S&P 500 EPS AND SALES Y/Y GROWTH FOR MACRO GROUPS



Source: Factset, DWS Investment GmbH as of 2/7/2025. For illustrative purposes only. It is not possible to invest directly in an index. Past performance is not a guarantee of future results.

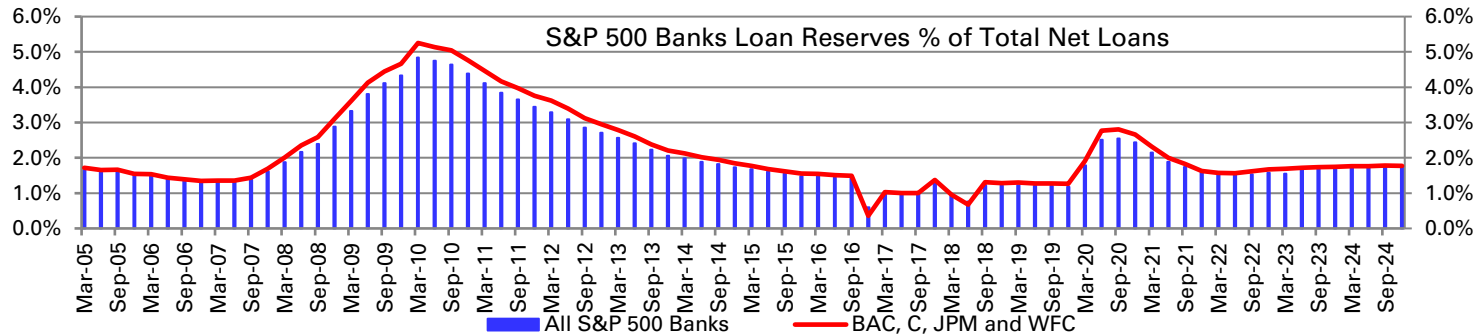
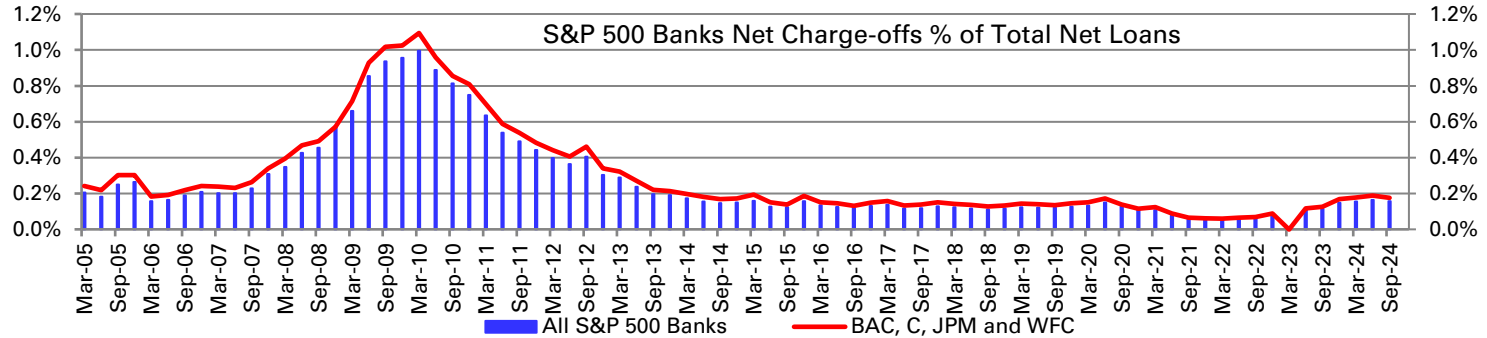
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S&P 500 BANKS LOAN LOSS PROVISIONS



Source: Factset, DWS Investment GmbH as of 2/7/2025 . For illustrative purposes only. It is not possible to invest directly in an index. Past performance is not a guarantee of future results.

S&P 500 BANKS LOAN RESERVES AND CHARGE-OFFS



Source: Factset, DWS Investment GmbH as of 2/7/2025. For illustrative purposes only. It is not possible to invest directly in an index. Past performance is not a guarantee of future results.

S&P 500 EPS MODEL



												Bottom-up Consensus (IBES)				DWS View				Normalized 2025		
	2014A	2015A	2016A	2017A	2018A	2019A	2020A	2021A	2022A	2023A	y/y	2014-2023 CAGR	2024E	y/y	2025E	y/y	2024E	y/y	2025E	y/y	(\$)	% of 2025
	S&P 500 EPS (historical index)	\$118.82	\$117.46	\$118.10	\$132.00	\$161.93	\$162.93	\$139.72	\$208.12	\$218.09	\$221.36	1.5%	7.2%									
S&P 500 EPS (current constituents)	\$116.94	\$117.28	\$117.85	\$131.21	\$157.97	\$159.48	\$143.22	\$217.85	\$218.24	\$221.97	1.7%	7.4%	\$246	10.8%	\$275	11.7%	\$245	10.0%	\$275	12.2%	\$280	102%
Sector (\$ bn)																						
Communication Services	66.7	77.1	89.2	97.3	121.7	128.5	132.5	184.6	144.4	173.5	20.1%	11.2%	218.9	26.2%	244.6	11.7%	215.0	23.9%	245.0	14.0%	244.8	100%
Consumer Discretionary	57.9	68.2	75.8	80.2	95.6	94.0	63.9	121.9	111.3	157.2	41.2%	11.7%	185.5	18.0%	199.4	7.5%	178.8	13.7%	200.0	11.9%	209.7	105%
Consumer Staples	92.0	90.1	92.3	96.6	104.1	105.0	113.0	126.8	126.0	133.9	6.3%	4.3%	137.2	2.4%	142.7	4.0%	127.0	-5.2%	132.5	4.3%	129.7	98%
Energy	94.3	39.9	10.6	36.9	69.0	48.0	-6.7	76.1	194.2	137.9	-29.0%	4.3%	109.1	-20.8%	111.5	2.2%	110.0	-20.2%	120.5	9.5%	120.5	100%
Financials	184.7	200.3	204.2	213.4	262.6	276.7	226.3	363.5	308.8	335.2	8.5%	6.8%	384.0	14.6%	417.1	8.6%	376.5	12.3%	405.0	7.6%	399.9	99%
Health Care	137.2	152.1	156.9	171.1	187.9	205.7	226.2	291.7	307.9	243.8	-20.8%	6.6%	269.3	10.4%	305.0	13.3%	272.0	11.6%	303.0	11.4%	297.8	98%
Industrials	96.8	98.1	95.3	105.1	129.1	112.1	71.1	118.0	135.8	160.3	18.0%	5.8%	161.1	0.5%	184.9	14.8%	163.5	2.0%	190.5	16.5%	195.9	103%
Information Technology	162.8	169.0	173.7	206.8	241.8	237.4	269.4	443.3	370.9	383.5	3.4%	10.0%	459.5	19.8%	550.9	19.9%	465.0	21.2%	560.0	20.4%	578.3	103%
Materials	24.6	23.1	22.1	28.8	35.9	33.7	32.2	62.3	64.9	49.8	-23.3%	8.2%	45.7	-8.2%	50.2	9.8%	46.0	-7.6%	51.5	12.0%	50.5	98%
Real Estate	22.0	23.7	27.5	31.0	34.8	36.3	36.2	43.1	50.4	52.7	4.5%	10.2%	53.7	1.9%	55.9	4.1%	53.5	1.5%	56.0	4.7%	56.1	100%
Utilities	32.3	32.5	34.9	36.7	40.0	45.2	46.8	47.4	48.7	53.1	9.0%	5.7%	60.7	14.3%	65.8	8.5%	61.5	15.8%	68.5	11.3%	76.1	111%
S&P 500	971.3	974.1	982.7	1103.8	1322.5	1322.7	1210.8	1878.7	1863.4	1880.9	0.9%	7.6%	2084.7	10.8%	2328.0	11.7%	2068.8	10.0%	2332.5	12.7%	2359.2	101%
S&P ex. Energy (\$bn)	876.9	934.2	972.1	1067.0	1253.5	1274.7	1217.5	1802.6	1669.2	1743.0	4.4%	7.9%	1975.6	13.3%	2216.5	12.2%	1958.8	12.4%	2212.0	12.9%	2238.7	101%
S&P ex. Tech (\$bn)	808.5	805.1	809.0	897.0	1080.7	1085.3	941.3	1435.4	1492.5	1497.4	0.3%	7.1%	1625.2	8.5%	1777.1	9.3%	1603.8	7.1%	1772.5	10.5%	1780.9	100%
S&P 500 Sales/Share (historical index)	\$1,163	\$1,127	\$1,151	\$1,232	\$1,339	\$1,415	\$1,362	\$1,567	\$1,753	\$1,872	6.8%	5.4%										
S&P 500 Non-GAAP Net Margin	10.2%	10.4%	10.3%	10.7%	12.1%	11.5%	10.3%	13.3%	12.4%	11.8%												

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

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

Source: Factset, DWS Investment GmbH as of 2/7/2025. Past performance may not be indicative of future results. It is not possible to invest directly in an index. Forecasts are not a reliable indicator of future returns. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect. 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.

S&P 500 SECTOR AND INDUSTRY ALLOCATION



	Market		Allocated		Sector			2024			2025			Overweight			2024			2025			Equal weight			2024			2025			Underweight			2024			2025		
	Overweight	10.5%	15.3%	Health Care	20.0	18.0	Biotechnology	21.7	17.3	Health Care Providers & Services	15.1	14.0	Life Sciences Tools & Services	27.7	25.2																									
14.1%		16.9%	Financials		19.5	18.1	Health Care Equipment & Supplies Pharmaceuticals	28.9 17.6	26.1 16.2	Banks	15.5	14.8	Consumer Finance	17.3	16.4																									
2.3%		3.5%	Utilities	19.1	17.2	Electric Utilities	18.5	16.7	Capital Markets Financial Services	22.1 27.3	19.7 25.7																													
9.9%		11.0%	Communication Services	24.0	21.0	Entertainment	74.4	32.3	Diversified Telecommunication Ser	9.8	9.8	Media	9.5	9.5																										
3.1%		4.0%	Energy	16.3	14.9	Interactive Media & Services Energy Equipment & Services	26.5 12.8	23.7 12.2	Wireless Telecommunication Servi	25.9	22.6																													
Equal-weight	8.3%	8.2%	Industrials	25.8	22.1	Aerospace & Defense	39.3	24.0	Air Freight & Logistics	15.0	13.8	Building Products	22.8	21.8																										
				Electrical Equipment	32.4	27.0	Construction & Engineering Industrial Conglomerates Machinery Passenger Airlines	37.7 21.1 19.9 12.3	28.3 19.4 19.0 10.9	Consumer Staples Distribution & R	46.8	44.6	Tobacco	16.8	16.2																									
Underweight	5.5%	5.2%	Consumer Staples	25.7	24.6	Beverages	19.3	18.4	Household Products	24.2	23.2	Food Products	13.7	13.4																										
	1.9%	1.4%		Materials	24.1	21.5				Chemicals	24.0	21.7	Containers & Packaging	29.8	25.2																									
	2.1%	1.3%	Real Estate	19.3	18.5				Construction Materials Metals & Mining	35.3 17.0	28.2 15.7																													
	30.7%	26.6%	Information Technology	33.4	27.7	Software IT Services	34.1 27.4	30.3 25.3	Hotel & Resort REITs Industrial REITs Office REITs Retail REITs Specialized REITs	8.5 22.3 10.4 14.2 20.1	7.9 20.7 11.6 13.3 19.2	Health Care REITs Residential REITs Real Estate Mgmt. & Development	19.9 18.4 42.3	19.9 36.2																										
Aggregate PE: DWS View			Consumer Discretionary	32.5	29.1	Automobile Components	10.1	9.4	Technology Hardware Storage & P	31.9	28.6	Communications Equipment Electronic Equipment Semiconductors	18.9 26.0 37.6	18.0 23.1 26.7																										
				Automobiles	42.1	37.2	Broadline Retail Distributors	44.3	37.6	Automobiles	15.9	14.8	Hotels Restaurants & Leisure	42.1	37.2																									
			Broadline Retail	43.3	36.7	Household Durables Leisure Products	11.7 15.4	10.9 15.4	Hotels Restaurants & Leisure	15.4	14.8	Specialty Retail	25.0	23.8																										
			CD ex Auto & Broadline Retail	24.6	22.7	Textiles Apparel & Luxury Goods	27.0	25.9																																
					Overweight	24.1	21.3	Equalweight	23.0	21.1	Underweight	29.6	25.2																											
									2024 & 2025 EPS	245.00	275.00	2024 & 2025 PE	24.8	22.1																										
									Bottom-up Consensus EPS	246.02	274.74	Bottom-up Cons. PE	24.7	22.1																										
												2024 & 2025 Ex Energy PE	25.6	22.6																										
												Btm-up Cons. Ex Energy PE	25.3	22.6																										

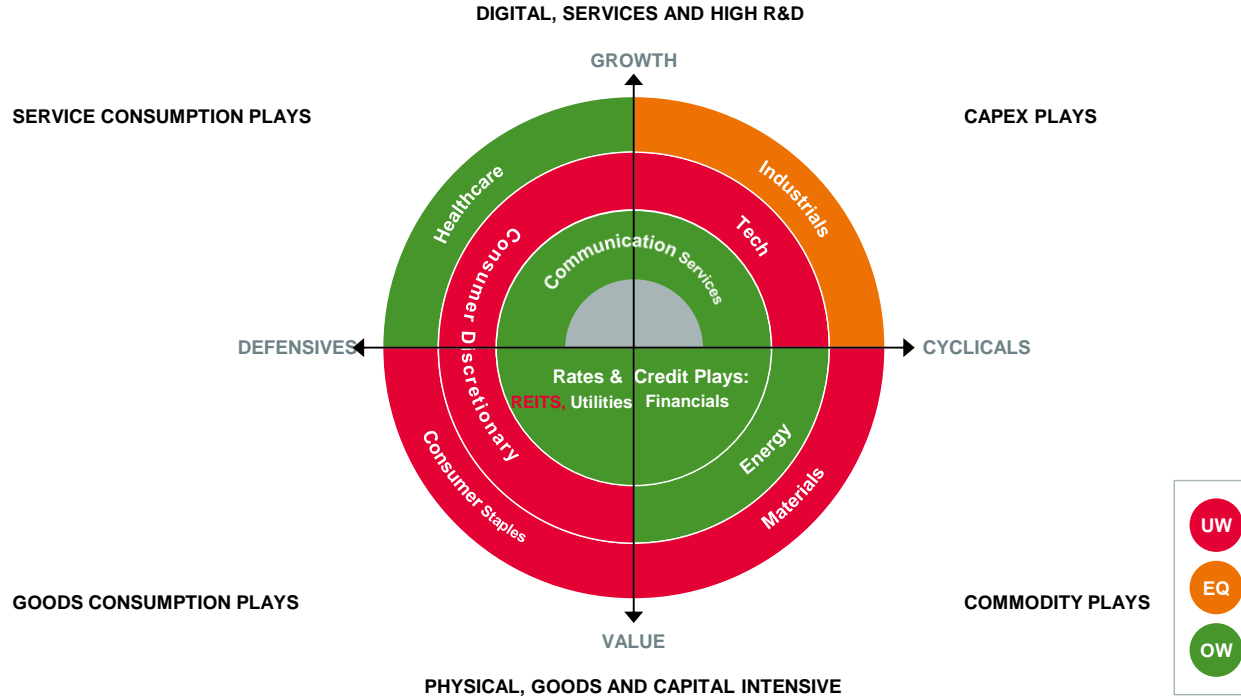
Sector OW	10.63%
Sector UW	-10.63%
Industry OW	17.85%
Industry UW	-17.85%
Beta	0.90
Tracking Error	275bp

Macro tilts:	
Great 8	-2.87%
Tech + Communications	-3.34%
Cyclicals (ex. Tech/Comm)	-1.79%
Non-Cyclicals	5.13%
Value (Financial+Energy)	3.82%
Growth Industries	4.46%
Growth ex Health Care	-0.43%
Consumer	-4.75%
Services/Experience	-0.92%
Disc. Goods/Retail	-1.34%
Durable Goods	-2.34%
Staples Goods/Retail	0.04%
Commodity	-0.08%
Energy Ex. Services	0.06%
Metals/Chemicals	-0.14%
Capex	5.46%
Capacity additions	2.50%
Productivity	2.96%
Health Care	4.89%
Medicine	3.54%
Devices/Equip./Tools	1.50%
Insurers/Facilities	-0.15%
Financials	2.79%
Bond Substitutes	-1.48%
Weak FX \$ plays	0.02%
High R&D plays	5.66%
Transports	-0.58%
Geopolitical risk	1.32%
Weak oil prices	-0.42%
Inflation shock	0.03%
Stagflation protection	2.17%
Trade sensitive	0.26%
Domestic GDP	0.64%
Global GDP	0.06%

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

Source: Factset, DWS Investment GmbH as of 2/7/2025. Past performance may not be indicative of future results. It is not possible to invest directly in an index.

S&P 500 SECTOR STRATEGY: PER KEY MACRO PLAYS



Note: OW – Overweight; EQ – Equalweight; UW – Underweight.

Source: DWS Investment GmbH as of February 2025. It is not possible to invest directly in an index. Forecasts are not a reliable indicator of future returns. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect. 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.

S&P 500 FAIR VALUE BY SECTOR



Assuming a ~5.25% real cost of equity (CoE) for overall S&P 500

	Market Value (\$bn)	Current 2025 PE	2025E Earnings (\$bn)	Normal Ratio	Normal 2025E Earnings	Accounting Quality Adjustment	Fully Adjusted Earnings	Net Debt / Market Cap	FCF / EPS	Real CoE	Steady State Value	Growth Premium	2025 Start Fair Value (\$bn)	2025E Dividend Yield	2025 End Fair Value (\$bn)	Fair PE on Normal 2025 EPS	2025 End Upside %	2025 End Upside vs. S&P 500
Communication Services	5,152	21.0	245.0	100%	244.8	-5%	232.6	11%	0.83	5.10%	4,560	20%	5,472	0.8%	5,843	23.9	13%	11%
Consumer Discretionary	5,812	29.1	200.0	105%	209.7	-6%	197.1	10%	0.76	5.25%	3,755	39%	5,200	0.6%	5,571	26.6	-4%	-7%
Automobiles	1,136	37.2	30.5	110%	33.6	-10%	30.2	32%	0.99	5.75%	525	50%	788	0.3%	851	25.4	-25%	-28%
Broadline (Internet) Retail	2,167	36.7	59.0	110%	64.9	-5%	61.7	0%	0.18	5.10%	1,209	75%	2,116	0.0%	2,276	35.1	5%	2%
ex. Auto & Broadline (Internet) Retail	2,509	22.7	110.5	101%	111.3	-5%	105.3	13%	0.78	5.21%	2,021	14%	2,297	1.4%	2,443	22.0	-3%	-5%
Consumer Staples	3,265	24.6	132.5	98%	129.7	-5%	123.2	14%	0.84	5.00%	2,464	5%	2,587	2.1%	2,726	21.0	-16%	-19%
Energy	1,798	14.9	120.5	100%	120.5	-10%	108.5	14%	0.90	5.75%	1,886	-15%	1,603	3.0%	1,687	14.0	-6%	-9%
Financials	7,335	18.1	405.0	99%	399.9	-7%	370.8		1.11	5.75%	6,449	0%	6,449	1.4%	6,892	17.2	-6%	-9%
Banks	2,014	14.8	136.5	100%	136.5	-7%	126.9		1.11	6.00%	2,116	-10%	1,904	2.2%	2,024	14.8	0%	-2%
Health Care	5,453	18.0	303.0	98%	297.8	-8%	274.0	10%	1.14	5.20%	5,269	13%	5,928	1.7%	6,284	21.1	15%	13%
Industrials	4,213	22.1	190.5	103%	195.9	-5%	186.1	15%	0.88	5.25%	3,544	10%	3,899	1.4%	4,148	21.2	-2%	-4%
Information Technology	15,521	27.7	560.0	103%	578.3	-2%	566.7	2%	0.95	5.10%	11,111	40%	15,556	0.6%	16,640	28.8	7%	5%
Materials	1,107	21.5	51.5	98%	50.5	-7%	46.9	16%	0.90	5.50%	853	10%	938	1.8%	997	19.8	-10%	-13%
Real Estate	1,035	18.5	56.0	100%	56.1	-10%	50.5	35%	1.79	5.25%	961	5%	1,009	3.5%	1,052	18.8	2%	-1%
Utilities	1,174	17.2	68.5	111%	76.1	-7%	70.8	79%	-0.81	5.25%	1,348	0%	1,348	3.0%	1,413	18.6	20%	18%
S&P 500 (\$ bn)	51,862	22.2	2332.5	101%	2359.2	-5.6%	2227.1			5.26%	42,201	18.5%	49990	1.2%	53,254	22.6	3%	0%
S&P 500 Index (\$/sh)	6084	22.1	275.0	102%	280.0	-5.4%	265.0	10%	0.93	5.25%	5048	18.5%	5982	1.2%	6361	22.7	5%	0%

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

Source: IBES, DWS Investment GmbH as of 2/7/2025. Past performance may not be indicative of future results. It is not possible to invest directly in an index. 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.

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

The estimated 2024 year-end upside is on absolute valuation basis of each sector, not on relative sector valuation basis. 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 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%
DWS "normal 2025" S&P 500 EPS	\$280.00	DWS "normal 2025E" S&P 500 DPS	\$85.00	2024E end S&P 500 book value per share	\$1,100	Components of estimated fair S&P 500 return:	
"Normal 2025E" EPS / 2025 EPS	102%	Normal dividend payout ratio	32%	DWS "normal 2025E" S&P 500 aggregate ROE	24.1%	+ Long-term real risk free interest rate	2.00%
Accounting quality adjustment to pro forma EPS	-\$15.00	EPS directed to net share repurchases	\$75.00	S&P EPS retained for operating reinvestment		40%	+ Long-term fair S&P 500 equity risk premium*
		Normal share repurchase payout ratio	28%	Estimated ROE on reinvested S&P EPS	9.00%	= Long-term real S&P 500 cost of equity	5.25%
Normal 2025E S&P 500 EPS fair to capitalize	\$265	Total payout of S&P 500 EPS	\$160.00	Economic margin (EM) or ROE-CoE	1.25%	+ Long-term inflation forecast	2.50%
Key principle: steady-state value = normal EPS / real CoE		Total payout ratio of normal and quality adj. EPS	60%	Sources of long-term earnings growth:		= S&P 500 nominal cost of equity	7.75%
				+ Long-term inflation forecast	2.50%	* S&P 500 ERP history 300-400bps, w/ real CoE @ 5% - 6%	
S&P 500 EPS Capitalization Valuation		S&P 500 DPS Discount Model		+ Fair return on operating reinvestment	2.08%	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	0.50%	2024E end S&P 500 book value per share	\$1,100
S&P 500 intrinsic value at 2025 start	5982	S&P 500 intrinsic value at 2025 start	5982	= Long-term earnings growth	5.08%	Fair PB = Fair PE * normal aggregate ROE	5.44
S&P 500 intrinsic value at 2025 end	6361	S&P 500 intrinsic value at 2025 end	6361	+ Growth from net share repurchases	1.25%	Fair PE =(inc ROE-g)/(inc real ROE*(real CoE-real g))	21.75
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%	= Long-term S&P 500 EPS/DPS growth	6.33%	Implied S&P 500 fair value of book at 2025 start	5982
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%	+ Fair normal dividend yield	1.42%	Steady-state PB = normal agg. ROE / real CoE	4.59
				= Total long-term return at constant PE	7.75%	Confirmed by fair steady-state PE = 1 / real CoE	19.0
Normal EPS / (real CoE - value added EPS growth)	6361	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

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

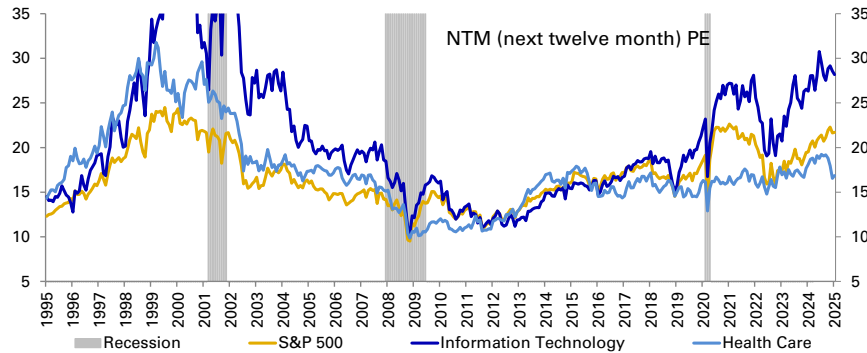
Source: DWS Investment Management GmbH. It is not possible to invest directly in an index. Forecasts are not a reliable indicator of future returns. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect. No representation or warranty is made by DWS as to the reasonableness or completeness of the forward-looking statements or to any other financial information contained herein.

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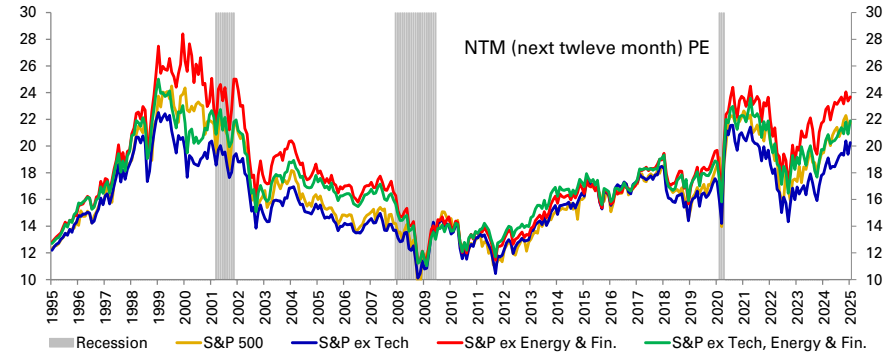
S&P 500 PRICE-TO-EARNINGS (P/E) RATIO



S&P 500, TECH AND HEALTH CARE FORWARD PE



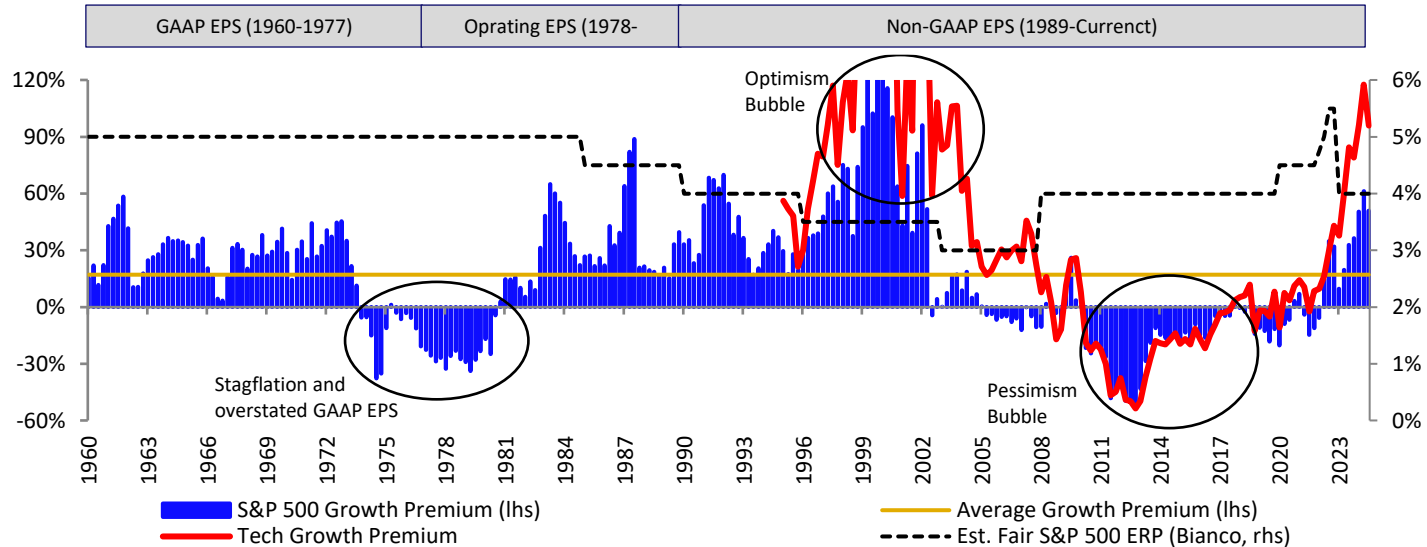
S&P 500 EX TECH ENERGY & FINANCIALS FORWARD PE



Note: NTM – next twelve month. Forward PE is the price dividend by consensus next twelve-month EPS.

Source: Factset, DWS Investment GmbH as of 1/31/2025. It is not possible to invest directly in an index. Past performance is not a guarantee of future results. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect. 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.

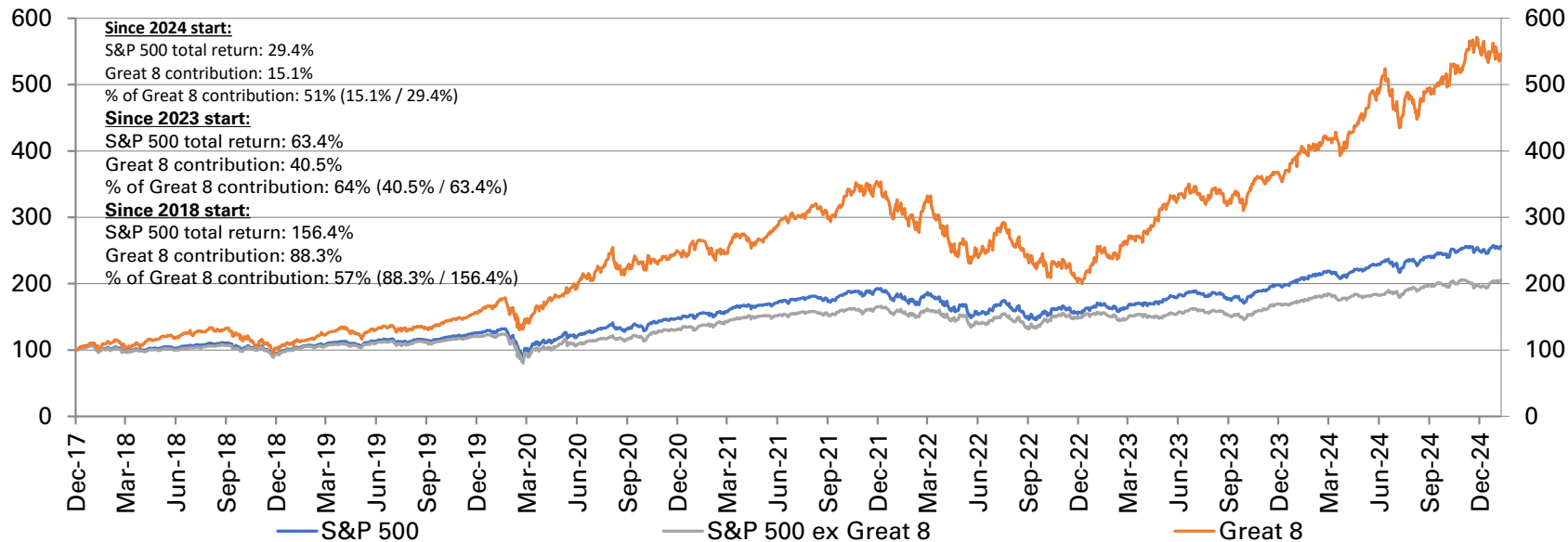
S&P 500 AND TECH SECTOR GROWTH PREMIUM



Note: lhs – left hand side; rhs – right hand side. ERP – equity risk premium.

Source: IBES, Haver, DWS Investment GmbH as of 3Q2024. It is not possible to invest directly in an index. Past performance is not a guarantee of future results.

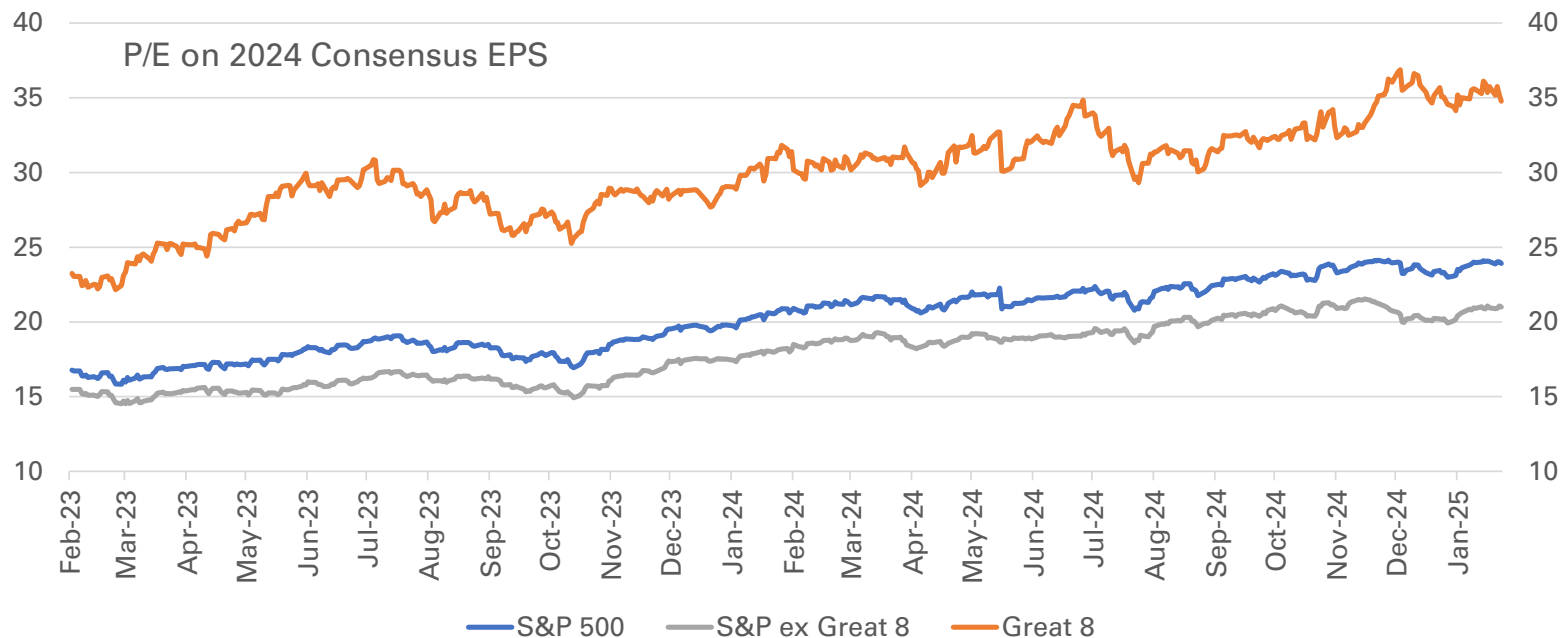
S&P 500 AND THE GREAT 8 TOTAL RETURN



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

Source: IBES, Factset, DWS Investment GmbH as of 2/7/2025. Past performance may not be indicative of future results. It is not possible to invest directly in an index. Any mentions of specific properties or securities are for illustrative purposes only and should not be considered as recommendations.

S&P 500 AND THE GREAT 8 P/E RATIO



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

Source: IBES, Factset, DWS Investment GmbH as of 2/7/2025. Past performance may not be indicative of future results. It is not possible to invest directly in an index. Any mentions of specific properties or securities are for illustrative purposes only and should not be considered as recommendations.

GLOSSARY



Amortization is an accounting term which refers to the periodical reduction of the book value of intangible assets (such as patents) or bank loans.

Bottom-up is an approach which focuses on approaching a problem through the smallest elements (e.g. individual corporate results).

Capital expenditure (Capex) are funds used by a company to acquire or upgrade physical assets such as property, industrial buildings or equipment.

Cyclical is something that moves with the cycle.

Depreciation refers to an accounting method used to allocate the cost of a tangible or physical asset over its useful life. Depreciation represents how much of an asset's value has been used. It allows companies to earn revenue from the assets they own by paying for them over a certain period of time.

Dividend per share (DPS) is the sum of declared dividends issued by a company for every ordinary share outstanding.

Earnings per share (EPS) is calculated as a company's net income minus dividends of preferred stock, all divided by the total number of shares outstanding.

EBITDA (earnings, before interest expenses, taxes, depreciation and amortization) is an accounting measure calculated using a company's net earnings, before interest expenses, taxes, depreciation and amortization are subtracted.

Generally accepted accounting principles, or GAAP, are a set of rules that encompass the details, complexities, and legalities of business and corporate accounting.

Leverage attempts to boost gains when investing through the use of borrowing to purchase assets.

Mean reversion is a theory that prices and returns eventually move back toward the mean, or average.

Operating Cash Flow is an accounting term that measures the amount of cash generated by a company through its usual business activities.

Price-to-book (P/B) ratio or multiple compares a stock's market value with its book value.

The **price-to-earnings (P/E) ratio** compares a company's current share price to its earnings per share.

Pro forma financials are not computed using generally accepted accounting principles (GAAP) and usually leave out one-time expenses that are not part of normal company operations, such as restructuring costs following a merger.

Profit Margin, or net margin is an accounting figure which describes profit in relation to revenue in percent.

A **recession** is, technically, when an economy contracts for two successive quarters but is often used in a looser way to indicate declining output.

The **risk premium** is the expected return on an investment minus the return that would be earned on a risk-free investment.

The **S&P 500** is an index that includes 500 leading U.S. companies capturing approximately 80% coverage of available U.S. market capitalization.

A **share buyback** involves a company buying back its own shares.

Stagflation is the combination of the words "stagnation" and "inflation," referring to a period where inflation is high while the economy is stagnating.

IMPORTANT INFORMATION



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Past performance is not indicative of future returns.

Index returns do not reflect fees or expenses, and it is not possible to invest directly in an index.

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