

S&P 500 EPS TRACKER: 1Q25

Americas CIO View

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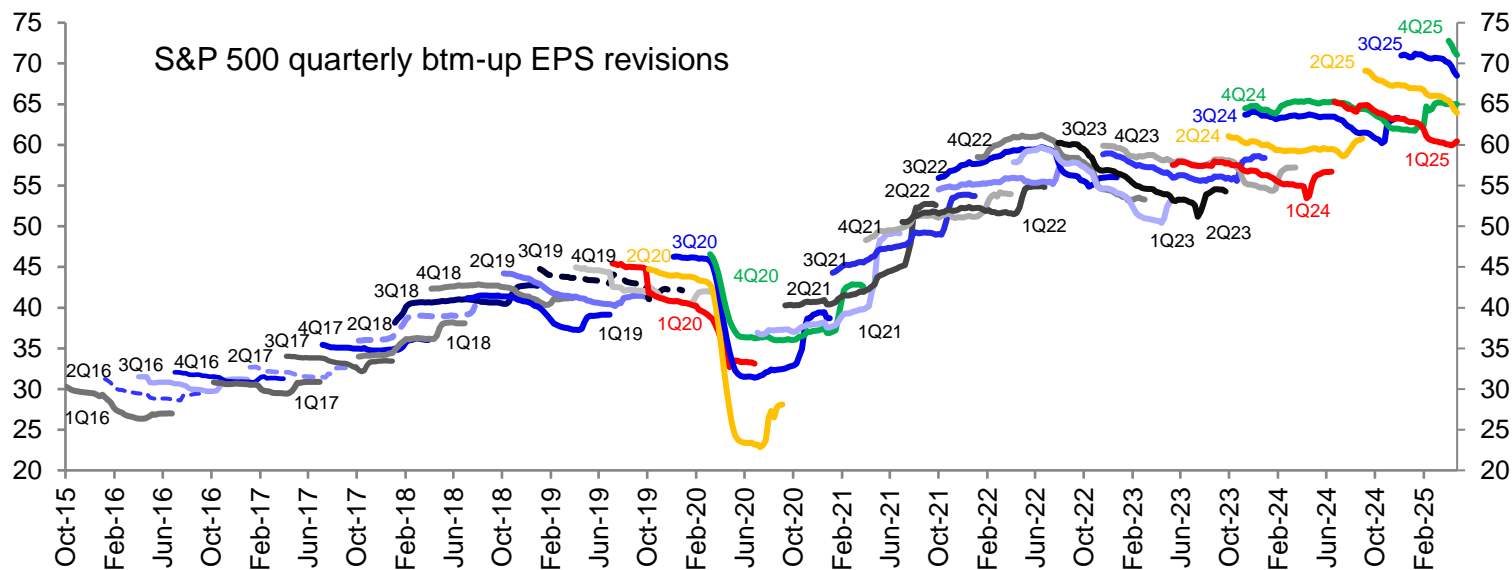
1Q 2025 EARNINGS SEASON OBSERVATIONS



- This data reflects the 169 S&P 500 companies or 41% of index earnings that have reported as of Thursday Apr 24th.
- Bottom-up blended 1Q earnings per share (EPS) is \$60.46 (actual results for companies reported and consensus estimates for the rest), +10.0% year-over-year (y/y). Our estimate for 1Q is \$62. Blended sales growth is +3.1% y/y. Blended pro-forma net margin is 13.0%, vs. 13.0% in 4Q24 and 12.1% a year ago.
- Bottom-up 1Q EPS y/y growth is 24.0% at the Great 8 (AAPL, AMZN, GOOG/GOOGL, META, MSFT, NFLX, NVDA, TSLA) and 6.1% at the S&P ex. the Great 8. Bottom-up 1Q sales growth is 11.5% at the Great 8 and 2.1% at the S&P ex. the Great 8.
- S&P 500 ex the Great 8's 2025 consensus EPS have been cut by 8.3% since 2024 start (cut by 3.4% since 2025 start). The Great 8's 2025 consensus EPS have been raised by 15.6% since 2024 start (cut by 1.6% since 2025 start).
- 66% of reporting companies beat on EPS and 28% missed (the rest in-line), with an aggregate surprise of +9.6%, +10.7% ex Financials. Historic average EPS beat is +3.3% (2011-2019 average). 40% beat on sales and 36% missed, with an aggregate surprise of +0.4%, +0.4% 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 2025 S&P EPS is now \$266.37. Our estimates is \$260 (\$260=\$62+\$64+\$65+\$69), up 6% y/y. This assumes soft manufacturing persists into 2025 and very strong EPS growth from Tech and Communications.
- By sector, 1Q blended EPS y/y growth is strongest at Health Care (+37% y/y), Communication Services (+25%), Tech (16%), Utilities (7.4%), Financials (5.7%) and Industrials (5.4%). EPS y/y growth is weakest at Energy (-19% y/y), Materials (-7.9%), Consumer Staples (-6.9%) and Real Estate (-2.2%).
- 1Q blended sales y/y growth is strongest at Tech (+12% y/y), Health Care (8.1%), Utilities (6.5%), Communication Services (5.4%), Real Estate (3.2%) and Consumer Staples (2.7%). Sales y/y growth is weakest at Financials (-6.0% y/y), Materials (-2.7%) and Industrials (-0.2%).
- Valuations came down from their highs last year, but still 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 2025 consensus EPS is 18.5x, PE of the Great 8 is 26.9x. Overall S&P PE is 20.3x.
- 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.

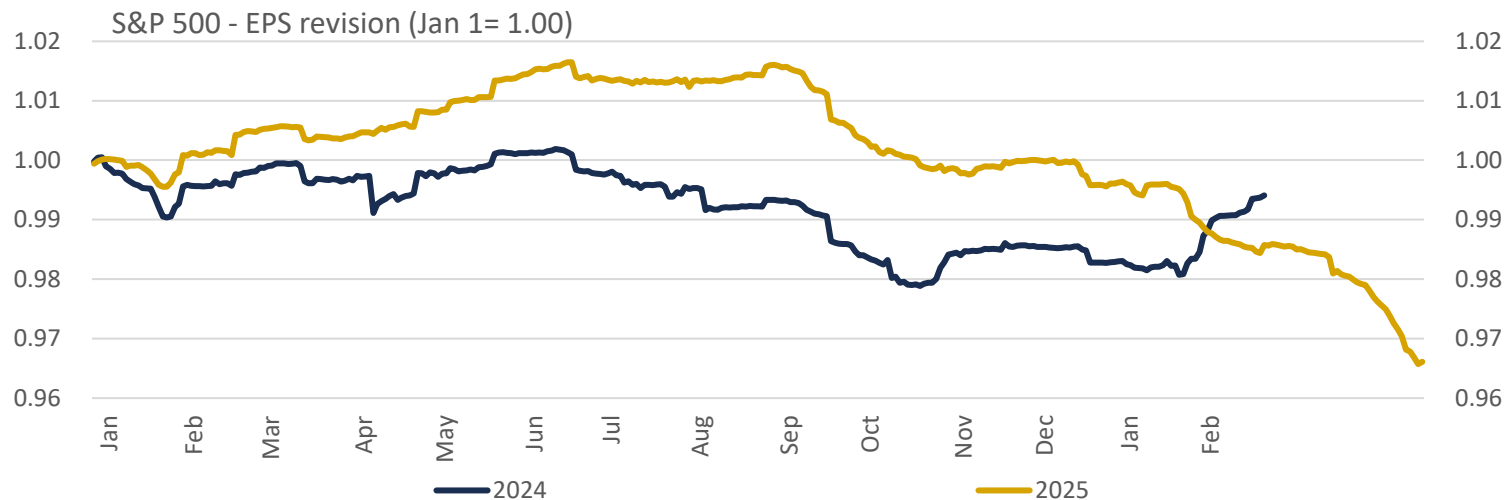
Source: DWS Investment GmbH as of 4/24/2025. For illustrative purposes only. Past performance is not a guarantee of future results. It is not possible to invest directly in an index. Forecasts are not a reliable indicator of future returns. Forecasts are based on assumptions, estimates, views and hypothetical 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



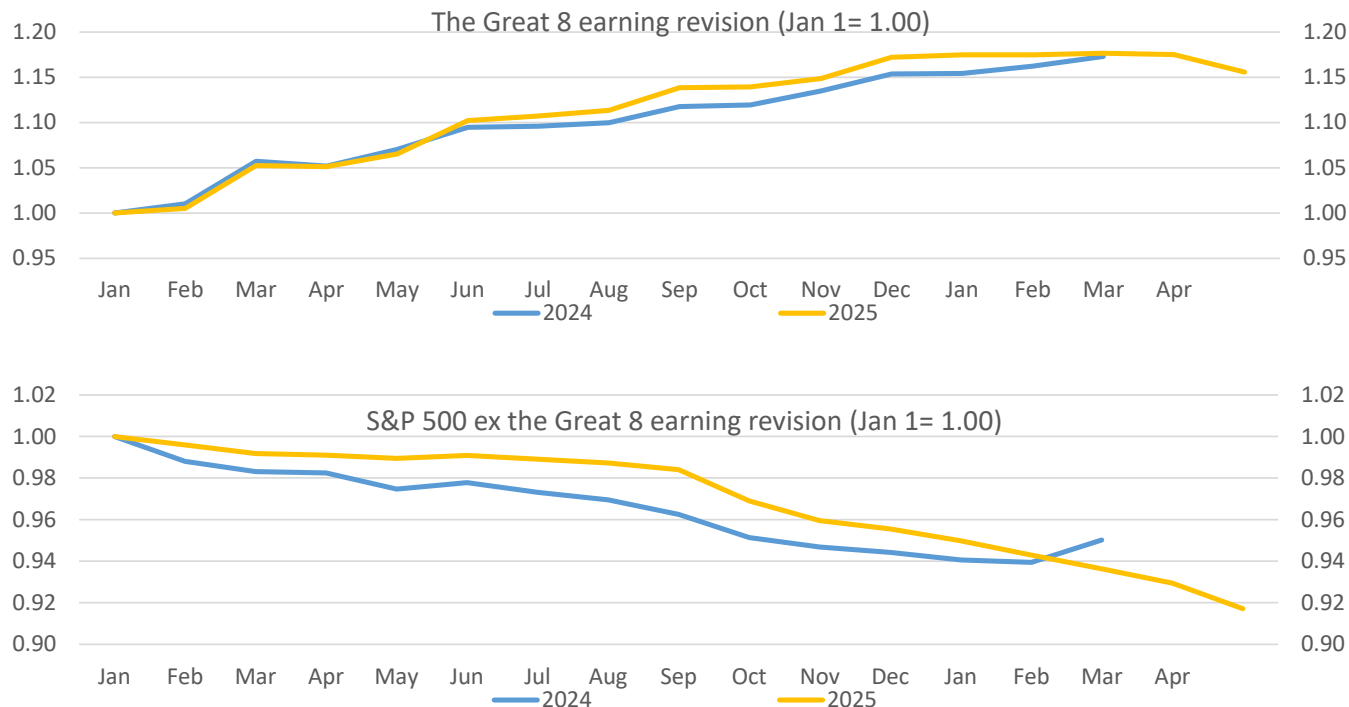
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S&P 500 EPS REVISION



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S&P 500 AND THE GREAT 8 EPS REVISIONS



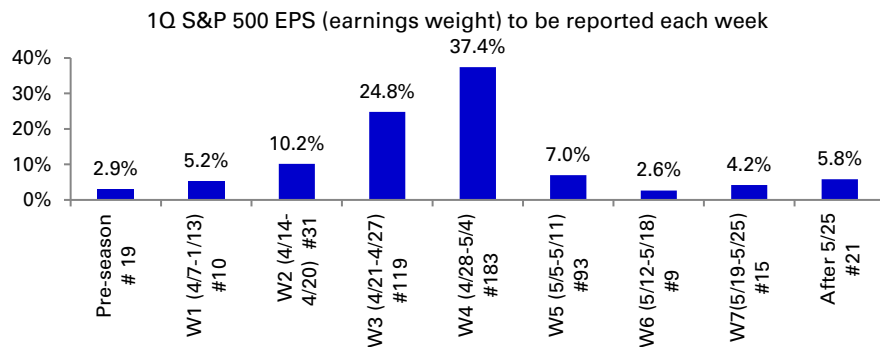
The Great 8: AAPL, AMZN, GOOG/GOOGL, META, MSFT, NFLX, NVDA, TSLA.

Source: IBES, Factset, DWS Investment GmbH as of 4/24/2025. 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.

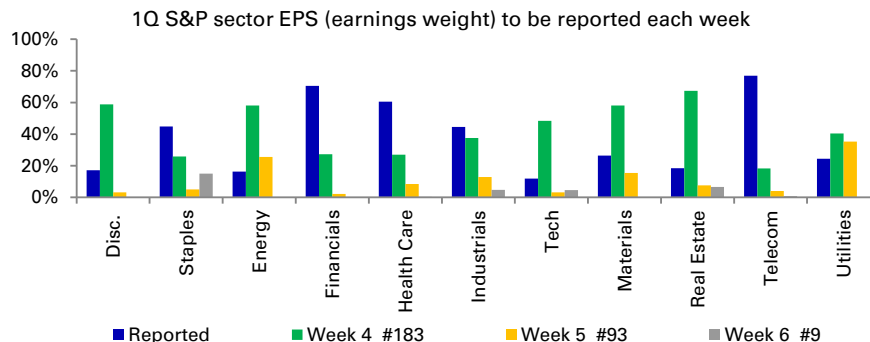
1Q 2025 S&P 500 EARNINGS SEASON SCHEDULE



1Q S&P 500 EPS TO BE REPORTED EACH WEEK



1Q S&P 500 SECTOR EPS TO BE REPORTED EACH WEEK



Source: Factset, DWS Investment GmbH as of 4/24/2025, for illustrative purposes only. Past performance may not be indicative of future results. It is not possible to invest directly in an index.

1Q 2025 EARNINGS SEASON SUMMARY STATISTICS



	1Q25 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 (%)
S&P 500	41.0%	169	66%	28%	9.6%	21.8%	40%	36%	0.4%	2.2%
S&P ex. Tech	49.8%	154	64%	30%	9.6%	22.2%	38%	38%	0.3%	1.8%
S&P 500 ex. Financials & Real Est	34.9%	121	63%	31%	10.7%	27.1%	46%	31%	0.4%	4.4%
S&P 500 ex. Energy	42.4%	164	66%	27%	9.7%	22.8%	40%	35%	0.4%	2.4%
S&P ex. Energy, Financials & Real Est	36.3%	116	64%	29%	10.9%	28.7%	46%	31%	0.3%	4.7%
Communication Services	75.6%	9	89%	11%	25.1%	29.3%	67%	11%	0.5%	5.7%
Consumer Discretionary	17.1%	18	33%	44%	-2.0%	-17.6%	39%	56%	-3.6%	-2.8%
Consumer Staples	42.6%	12	58%	42%	1.1%	-2.4%	50%	33%	0.4%	3.7%
Energy	11.0%	5	40%	60%	1.2%	-25.4%	60%	40%	2.8%	-2.4%
Financials	69.3%	43	74%	23%	7.7%	12.6%	26%	44%	0.7%	-5.3%
Health Care	51.0%	16	88%	13%	5.1%	102.2%	50%	25%	0.7%	7.7%
Industrials	44.5%	33	67%	27%	5.0%	14.1%	27%	36%	0.1%	3.2%
Information Technology	11.9%	15	80%	13%	10.2%	16.8%	67%	7%	1.9%	8.3%
Materials	25.4%	7	43%	43%	24.5%	2.8%	57%	14%	4.2%	-0.3%
Real Estate	18.5%	5	60%	20%	2.6%	6.7%	20%	60%	0.7%	8.4%
Utilities	24.4%	6	33%	67%	-2.4%	3.0%	50%	50%	-1.2%	8.2%
Great 8 *	26.2%	4	75%	25%	32.7%	41.8%	50%	25%	-1.2%	8.3%
S&P ex Great 8	45.8%	166	65%	28%	6.2%	18.7%	40%	36%	0.7%	1.7%

* # Beat, # miss and weighted surprise % is based on EPS and sales estimate as of 3/31/2025 (as of 3/1/2025 for pre-season reporters)

EPS is considered beat or miss when the difference between actual and estimate as of 3/31/2025 is more than \$0.01 (3/1/2025 for pre-season reporters)

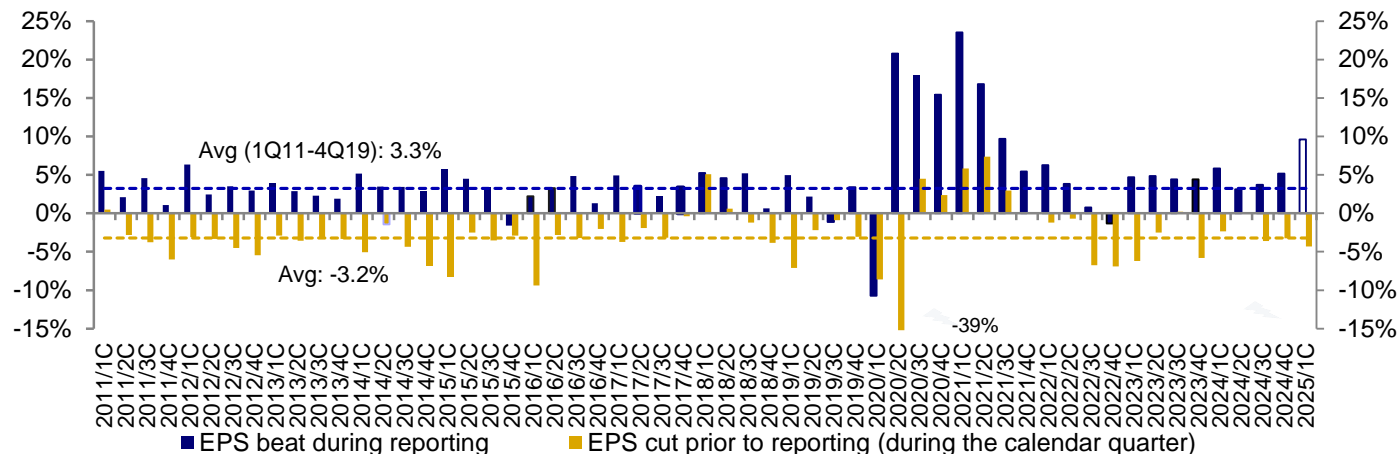
Sales is considered beat or miss when the difference between actual and estimate as of 3/31/2025 is more than \$20 million (3/1/2025 for pre-season reporters)

Source: Factset, DWS Investment GmbH as of 4/24/2025. 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 4/24/2025. 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



1Q25 is blended with actual for reported and consensus for the rest

EPS growth (y/y)	2021					2022					2023					2024					2025
	1Q21	2Q21	3Q21	4Q21	2021	1Q22	2Q22	3Q22	4Q22	2022	1Q23	2Q23	3Q23	4Q23	2023	1Q24	2Q24	3Q24	4Q24	2024	1Q25
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%	16.3%	11.4%	10.0%
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%	15.5%	9.2%	8.4%
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%	13.2%	10.3%	11.5%
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%	19.8%	13.9%	11.9%
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%	5.4%	10.9%	12.8%	13.2%	17.3%	13.4%	14.1%
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%	24.3%	42.9%	8.0%	25.7%	31.5%	25.9%	24.9%
Consumer Discretionary	168.5%	380.3%	19.0%	90.4%	93.0%	-25.7%	-7.8%	20.5%	-13.5%	-4.9%	57.0%	54.6%	37.8%	35.8%	44.5%	26.9%	14.9%	11.4%	25.3%	18.9%	0.6%
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%	25.5%	21.7%	8.0%
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%	5.2%	4.1%	-12.2%
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%	1.3%	3.9%	-5.2%
Consumer Staples	21.1%	16.1%	6.7%	7.0%	12.8%	2.2%	-3.4%	-0.7%	-1.6%	0.7%	3.5%	10.1%	8.3%	8.7%	7.5%	7.1%	3.6%	4.4%	1.8%	2.7%	-6.9%
Energy	9.2%	244%	1932%	7749%	-1172%	252.3%	304.3%	147.5%	63.4%	159.1%	26.4%	-47.7%	-32.8%	-22.8%	-25.4%	-24.7%	0.0%	-26.8%	-30.5%	-20.7%	-19.1%
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%	33.9%	18.0%	5.7%
Health Care	27.3%	24.9%	27.3%	26.4%	27.4%	17.3%	9.0%	0.4%	-3.3%	7.0%	-14.3%	-26.1%	-17.5%	-14.3%	-19.4%	-24.7%	19.1%	14.2%	14.5%	5.3%	36.8%
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%	10.0%	4.3%	5.4%
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%	20.4%	8.2%	2.9%
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%	-9.7%	0.0%	-0.3%
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%	4.9%	26.0%	20.7%	18.7%	18.8%	20.0%	15.6%
Materials	52.6%	146.4%	100.4%	78.1%	95.2%	51.6%	20.6%	-8.3%	-21.7%	8.1%	-22.6%	-26.6%	-17.5%	-18.0%	-22.0%	-16.1%	-3.6%	-6.6%	6.4%	-3.9%	-7.9%
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%	3.2%	1.6%	-2.2%
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%	12.9%	17.3%	7.4%

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

Source: Factset, DWS Investment GmbH as of 4/24/2025. 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



1Q25 is blended with actual for reported and consensus for the rest

Sales growth (y/y)	2021					2022					2023					2024					2025
	1Q21	2Q21	3Q21	4Q21	2021	1Q22	2Q22	3Q22	4Q22	2022	1Q23	2Q23	3Q23	4Q23	2023	1Q24	2Q24	3Q24	4Q24	2024	1Q25
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%	3.0%	5.1%	3.1%
S&P 500 ex. Tech	10.5%	25.0%	15.8%	15.7%	16.9%	13.5%	12.3%	12.5%	9.2%	11.7%	9.2%	6.9%	5.0%	6.4%	6.7%	4.6%	5.8%	7.4%	3.0%	4.8%	2.1%
S&P 500 ex. Financials & Real Est	11.9%	26.6%	17.4%	16.5%	18.1%	15.4%	13.3%	12.5%	8.0%	12.5%	7.0%	4.8%	4.0%	6.1%	5.2%	4.2%	6.2%	8.0%	3.5%	5.0%	4.6%
S&P 500 ex. Energy	12.4%	20.7%	13.5%	11.6%	14.5%	10.4%	6.7%	8.7%	7.1%	8.2%	9.0%	10.7%	7.1%	8.2%	8.6%	5.7%	6.2%	9.1%	4.6%	6.4%	3.2%
S&P ex. Energy, Fin & Real Est	12.7%	22.2%	13.8%	11.8%	15.2%	11.9%	7.4%	8.8%	7.3%	9.1%	8.2%	9.9%	6.7%	7.9%	7.8%	5.0%	6.0%	9.5%	4.2%	5.7%	4.8%
Communication Services	8.4%	22.3%	13.3%	22.7%	15.5%	8.0%	7.6%	5.6%	4.4%	6.5%	5.0%	3.3%	5.9%	6.5%	5.2%	6.7%	5.9%	7.5%	7.1%	13.1%	5.4%
Consumer Discretionary	22.5%	39.4%	12.3%	12.4%	18.9%	10.8%	12.7%	16.0%	11.2%	12.9%	8.9%	9.8%	7.1%	5.8%	8.1%	5.7%	5.0%	6.2%	6.1%	10.7%	0.7%
Cons. Disc. ex. Auto	27.4%	33.5%	18.6%	14.7%	20.9%	10.7%	9.5%	11.6%	7.8%	10.1%	6.6%	6.4%	6.8%	6.8%	7.0%	6.6%	4.7%	5.7%	5.9%	12.1%	3.3%
Cons. Disc. ex. Broadline Retail	16.2%	45.0%	11.4%	13.7%	17.9%	12.2%	14.9%	16.6%	12.4%	14.4%	8.8%	9.4%	5.2%	2.7%	6.8%	3.3%	3.3%	4.5%	4.2%	10.6%	-2.2%
Cons. Disc. ex. Auto & Broadline Retail	20.5%	37.6%	20.4%	18.1%	20.5%	12.7%	10.9%	10.4%	7.4%	10.7%	5.3%	4.3%	3.9%	2.8%	4.5%	3.6%	2.1%	2.9%	3.0%	12.8%	0.6%
Consumer Staples	5.2%	11.4%	10.8%	9.3%	8.8%	9.2%	9.3%	9.2%	6.1%	7.7%	5.3%	3.0%	3.6%	3.0%	3.7%	1.2%	4.2%	2.0%	1.4%	-30.1%	2.7%
Energy	3.6%	108.2%	71.3%	89.0%	60.5%	56.6%	77.4%	49.4%	14.5%	47.7%	-3.4%	-28.6%	-15.7%	-9.8%	-14.7%	-3.7%	7.9%	-5.4%	-4.0%	-1.7%	2.4%
Financials	11.3%	12.4%	11.9%	9.8%	10.6%	1.1%	1.7%	7.6%	6.2%	2.2%	14.5%	16.1%	9.8%	9.8%	14.4%	9.7%	7.3%	7.3%	6.7%	11.1%	-6.0%
Health Care	10.0%	19.4%	15.9%	14.4%	13.6%	15.5%	10.6%	5.9%	4.7%	8.6%	3.6%	5.0%	6.2%	7.3%	6.1%	6.8%	7.4%	10.3%	8.9%	0.5%	8.1%
Industrials	1.5%	27.3%	16.4%	13.3%	13.2%	12.9%	13.2%	13.1%	11.0%	8.3%	6.3%	3.5%	3.3%	5.5%	5.1%	3.7%	2.4%	0.2%	-2.3%	14.4%	-0.2%
Industrials ex. Aerospace & Defense	6.5%	35.3%	22.8%	20.9%	20.1%	19.2%	18.9%	16.6%	10.7%	13.1%	9.2%	4.9%	4.4%	6.0%	3.8%	2.4%	1.9%	-0.2%	0.8%	15.7%	-2.2%
Industrials ex. Transportation	2.6%	21.0%	9.3%	5.6%	8.3%	6.1%	6.3%	10.1%	11.9%	3.1%	7.3%	7.1%	6.8%	8.1%	7.9%	4.5%	2.0%	-1.5%	-4.8%	20.8%	-0.6%
Information Technology	22.7%	20.9%	24.0%	15.6%	17.8%	13.7%	8.3%	7.0%	-2.7%	6.5%	-2.5%	-0.2%	2.7%	7.7%	2.6%	7.7%	10.7%	12.6%	11.7%	14.5%	11.6%
Materials	16.2%	39.6%	36.8%	42.1%	31.9%	24.2%	17.4%	5.9%	-4.5%	9.1%	-6.9%	-11.4%	-9.6%	-4.0%	-5.3%	2.2%	1.8%	8.0%	3.0%	-7.9%	-2.7%
Real Estate	2.9%	19.2%	16.6%	18.4%	14.3%	20.7%	17.1%	14.3%	8.0%	13.8%	6.1%	6.4%	6.5%	8.2%	6.7%	7.4%	3.6%	6.9%	7.2%	7.5%	3.2%
Utilities	9.4%	5.4%	4.7%	52.1%	12.3%	19.5%	30.1%	32.8%	20.2%	16.8%	12.6%	-2.6%	-6.2%	-8.0%	0.2%	-8.2%	4.0%	4.0%	1.2%	3.3%	6.5%

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

Source: Factset, DWS Investment GmbH as of 4/24/2025 . 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 NET MARGINS BY SECTOR



1Q25 is blended with actual for reported and consensus for the rest

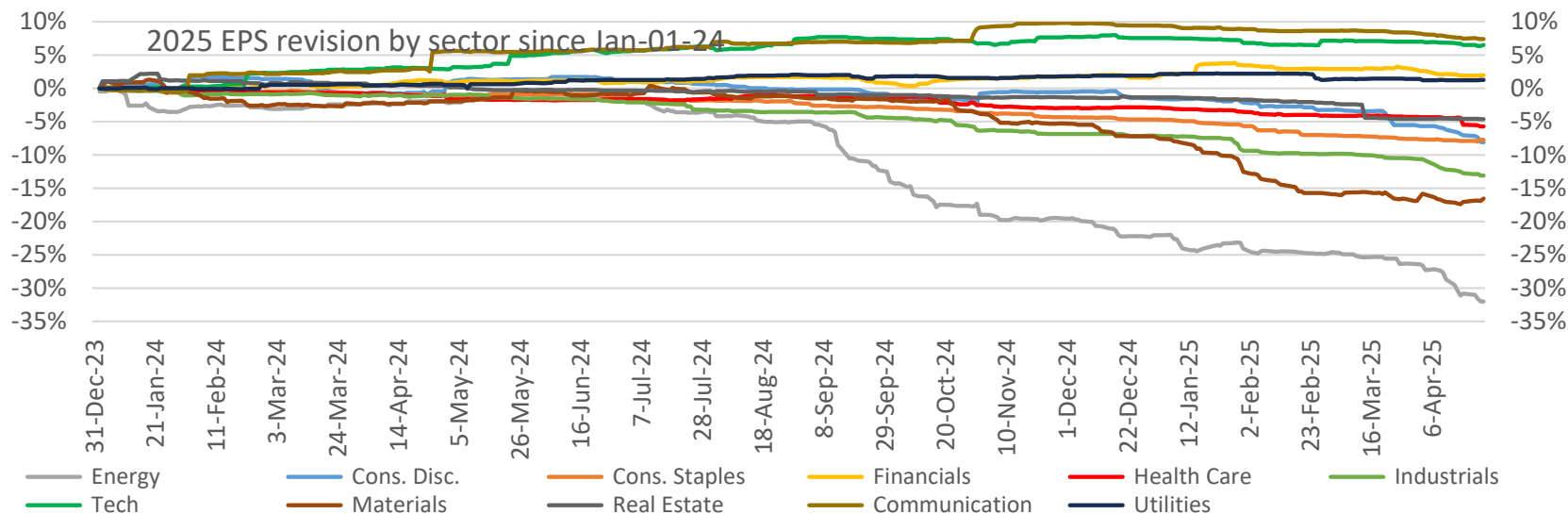
Net margins	2021					2022					2023					2024					2025
	1Q21	2Q21	3Q21	4Q21	2021	1Q22	2Q22	3Q22	4Q22	2022	1Q23	2Q23	3Q23	4Q23	2023	1Q24	2Q24	3Q24	4Q24	2024	1Q25
S&P 500	13.7%	13.9%	13.7%	13.2%	14.2%	13.1%	13.1%	12.6%	11.6%	12.6%	11.9%	11.9%	12.7%	11.7%	12.0%	12.1%	12.4%	12.6%	13.0%	12.5%	13.0%
S&P 500 ex. Tech	12.4%	12.6%	12.4%	11.6%	12.2%	11.8%	12.1%	11.5%	10.3%	11.3%	10.8%	10.7%	11.3%	10.0%	10.6%	10.5%	11.0%	11.0%	11.1%	11.0%	11.3%
S&P 500 ex. Financials & Real Est	11.9%	12.3%	12.5%	12.1%	12.8%	12.0%	12.2%	11.8%	10.7%	11.7%	10.8%	10.9%	11.6%	11.0%	11.0%	10.9%	11.3%	11.7%	11.9%	11.5%	11.8%
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%	13.4%	12.8%	13.5%
S&P ex. Energy, Fin & Real Est	12.6%	12.9%	12.9%	12.4%	13.4%	12.2%	11.9%	11.5%	10.4%	11.5%	10.6%	11.0%	11.7%	11.0%	11.0%	11.1%	11.5%	12.0%	12.3%	11.7%	12.2%
Communication Services	19.9%	19.8%	19.1%	18.0%	19.1%	17.4%	15.0%	13.2%	11.6%	14.0%	14.1%	15.9%	17.6%	16.3%	16.0%	18.5%	15.9%	20.2%	19.7%	17.5%	21.6%
Consumer Discretionary	8.0%	8.3%	7.9%	8.4%	8.0%	5.1%	6.5%	8.0%	6.2%	6.5%	7.1%	9.0%	10.1%	7.9%	8.5%	8.3%	9.5%	10.3%	9.1%	8.9%	8.2%
Cons. Disc. ex. Auto	7.7%	9.0%	8.3%	8.9%	8.2%	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%	9.8%	9.3%
Cons. Disc. ex. Broadline Retail	8.0%	8.7%	9.5%	7.4%	8.2%	7.9%	9.1%	9.8%	8.5%	8.9%	8.6%	10.2%	11.2%	8.5%	9.6%	8.6%	9.6%	10.4%	8.4%	8.6%	7.6%
Cons. Disc. ex. Auto & Broadline Retail	7.5%	9.8%	10.6%	7.8%	8.5%	7.5%	9.8%	10.7%	8.7%	9.3%	8.8%	11.5%	13.3%	10.4%	11.0%	9.5%	11.1%	12.0%	9.9%	9.9%	9.0%
Consumer Staples	6.9%	7.0%	6.8%	6.4%	6.7%	6.3%	6.1%	6.1%	5.8%	6.2%	6.1%	6.5%	6.3%	6.1%	6.3%	6.5%	6.4%	6.4%	6.1%	9.2%	5.8%
Energy	4.4%	6.3%	8.8%	9.3%	7.6%	10.1%	14.3%	14.3%	12.7%	13.1%	12.6%	9.9%	10.7%	10.5%	10.9%	9.6%	9.2%	8.5%	7.9%	8.8%	7.6%
Financials	23.4%	22.9%	20.4%	19.8%	21.6%	19.4%	18.3%	16.2%	16.5%	18.0%	17.8%	17.0%	17.8%	15.5%	17.1%	17.9%	18.5%	17.5%	19.0%	17.8%	19.9%
Health Care	11.6%	11.4%	11.4%	10.4%	11.2%	11.7%	11.1%	10.6%	9.5%	10.9%	9.5%	7.7%	8.1%	7.4%	8.1%	6.6%	8.4%	8.3%	7.7%	8.4%	8.4%
Industrials	8.2%	9.7%	9.7%	8.4%	9.0%	8.8%	9.8%	9.4%	10.1%	9.6%	9.5%	11.2%	10.4%	10.3%	10.8%	9.6%	11.0%	9.9%	11.3%	9.6%	10.1%
Industrials ex. Aerospace & Defense	9.5%	10.6%	11.2%	10.7%	10.2%	9.9%	11.1%	11.4%	11.3%	10.7%	10.3%	12.4%	11.8%	11.4%	12.0%	10.3%	12.3%	12.3%	13.3%	11.1%	10.9%
Industrials ex. Transportation	10.0%	10.7%	10.5%	8.7%	10.2%	10.2%	10.6%	9.8%	10.4%	11.0%	10.7%	11.3%	11.1%	10.8%	11.7%	11.3%	11.5%	9.9%	10.1%	9.4%	11.3%
Information Technology	24.2%	24.4%	24.7%	25.1%	30.2%	23.9%	22.2%	22.4%	22.7%	23.7%	22.0%	23.1%	25.0%	26.3%	23.9%	25.7%	25.2%	26.2%	27.9%	25.0%	26.6%
Materials	12.4%	15.6%	14.4%	14.2%	12.2%	14.7%	15.4%	12.0%	11.3%	11.7%	11.9%	12.5%	10.7%	9.6%	9.4%	9.8%	11.9%	9.4%	10.0%	9.9%	9.3%
Real Estate	36.0%	36.9%	35.6%	33.6%	35.1%	36.4%	36.6%	36.1%	35.8%	36.1%	35.2%	35.9%	35.1%	34.2%	35.4%	35.5%	35.5%	34.5%	33.9%	34.7%	33.8%
Utilities	12.5%	16.4%	19.0%	11.1%	13.1%	15.3%	10.7%	13.8%	8.2%	11.6%	10.8%	12.4%	15.6%	11.5%	12.6%	14.7%	13.9%	17.5%	13.0%	14.3%	14.9%

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.

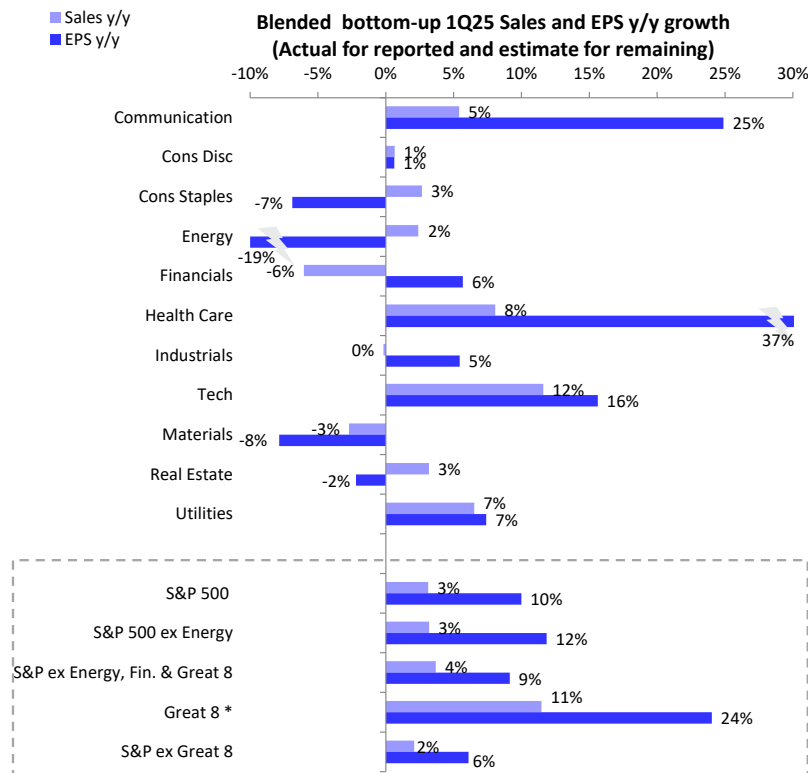
Source: Factset, DWS Investment GmbH as of 4/24/2025. For illustrative purposes only. It is not possible to invest directly in an index. Past performance is not a guarantee of future results.

S&P 500 2025 EPS REVISION BY SECTOR



Source: Factset, DWS Investment GmbH as of 4/24/2025. For illustrative purposes only. Past performance is not a guarantee of future results. It is not possible to invest directly in an index.

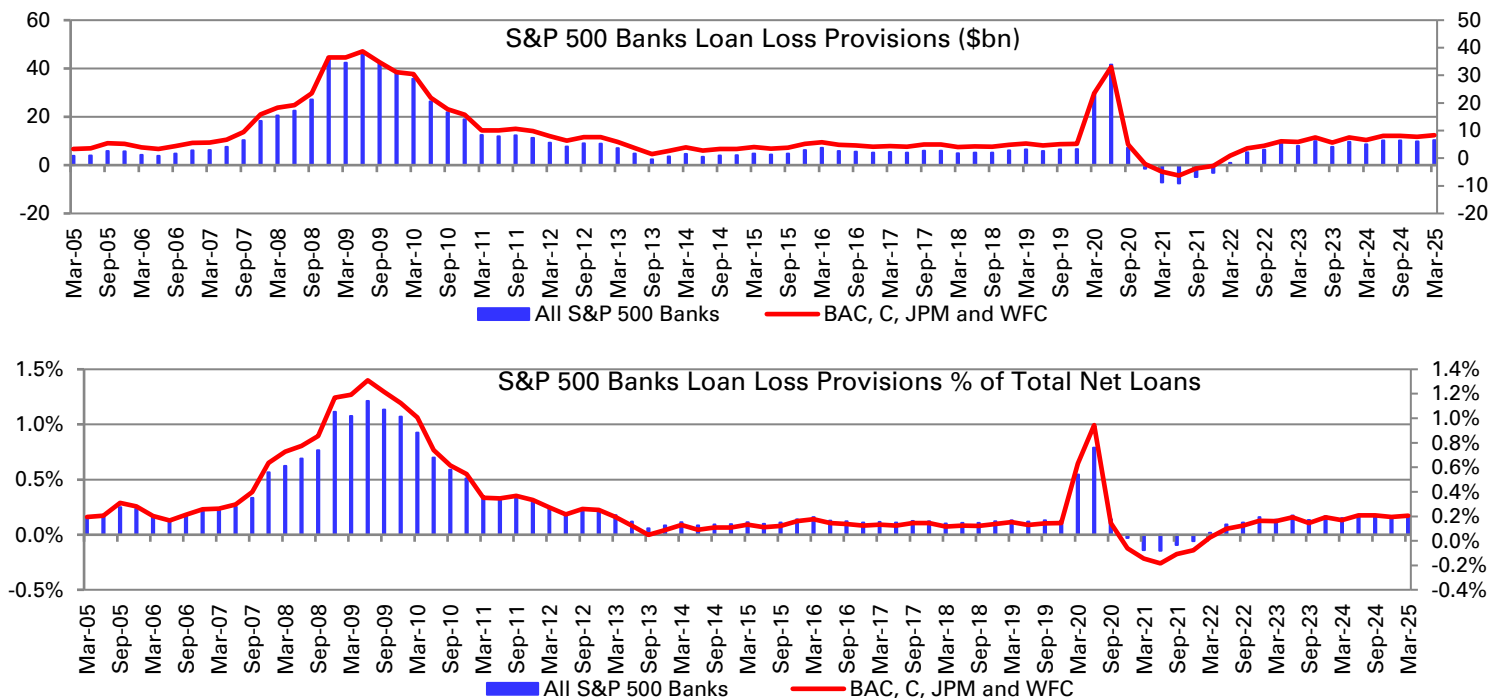
S&P 500 EPS AND SALES Y/Y GROWTH BY SECTOR



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

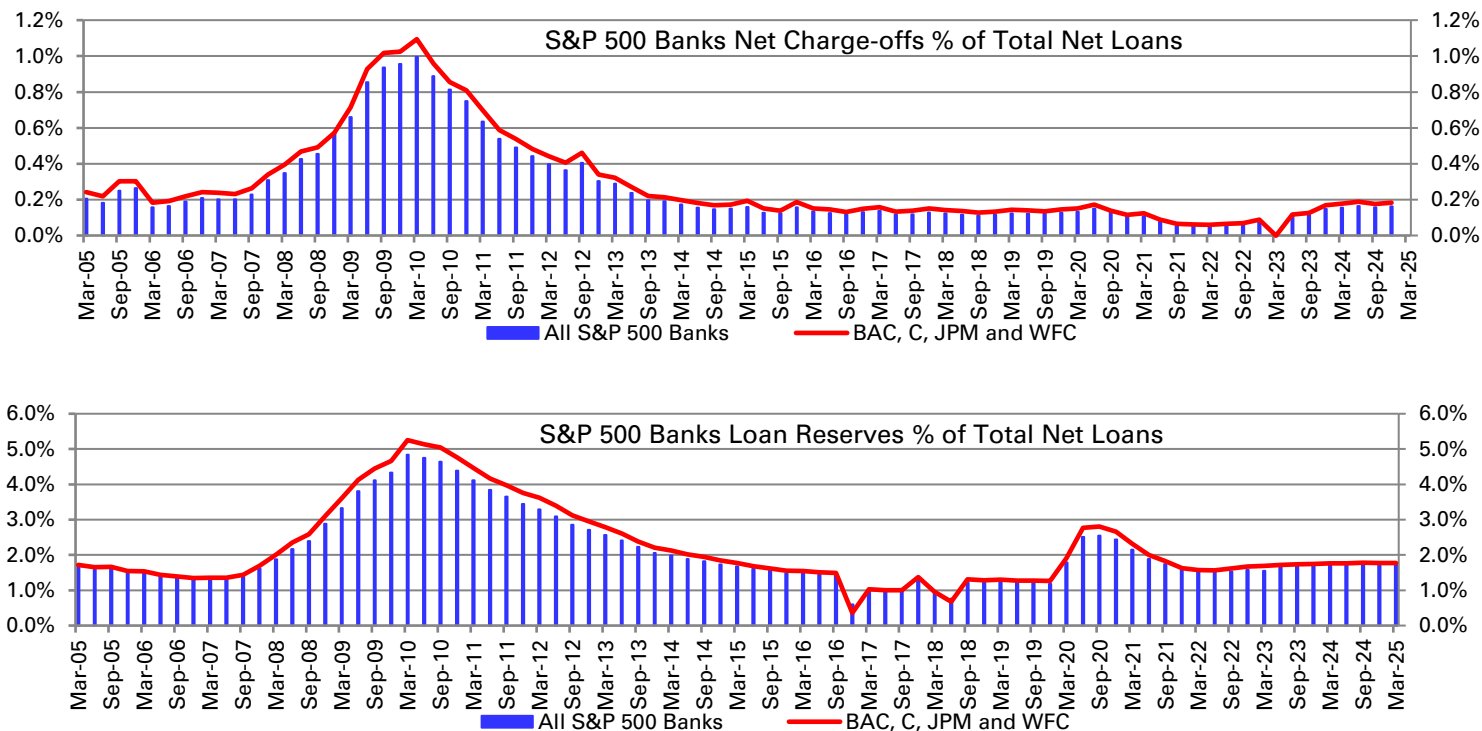
Source: Factset, DWS Investment GmbH as of 4/24/2025. For illustrative purposes only. It is not possible to invest directly in an index. Past performance is not a guarantee of future results.

S&P 500 BANKS LOAN LOSS PROVISIONS



Source: Factset, DWS Investment GmbH as of 4/24/2025 . 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 4/24/2025. 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



	2014A	2015A	2016A	2017A	2018A	2019A	2020A	2021A	2022A	2023A	2024A	y/y	2014-2024 CAGR	Bottom-up Consensus (IBES)				DWS View				Normalized 2025	
														2025E	y/y	2026E	y/y	2025E	y/y	2026E	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	\$242.73	9.7%	7.4%										
S&P 500 EPS (current constituents)	\$116.94	\$117.28	\$117.85	\$131.21	\$157.97	\$159.48	\$143.22	\$217.85	\$218.24	\$222.05	\$245.17	10.4%	7.7%	\$266	8.6%	\$304	14.0%	\$260	6.1%	\$285	9.6%	\$260	100%
Sector (\$ bn)																							
Communication Services	66.7	77.1	89.2	97.3	121.7	128.5	132.5	184.6	144.4	173.6	214.7	23.6%	12.4%	237.9	10.8%	269.7	13.4%	236.0	9.9%	259.0	9.7%	234.7	99%
Consumer Discretionary	57.9	68.2	75.8	80.2	95.6	94.0	63.9	121.9	111.3	157.2	182.2	15.9%	12.2%	186.2	2.2%	213.6	14.8%	175.5	-3.7%	195.0	11.1%	183.4	105%
Consumer Staples	92.0	90.1	92.3	96.6	104.1	105.0	113.0	126.8	126.0	133.9	136.2	1.8%	4.0%	138.3	1.5%	149.7	8.2%	129.5	-4.9%	138.0	6.6%	129.5	100%
Energy	94.3	39.9	10.6	36.9	69.0	48.0	-6.7	76.1	194.2	137.9	110.3	-20.0%	1.6%	99.9	-9.4%	121.0	21.1%	100.0	-9.3%	115.0	15.0%	100.0	100%
Financials	184.7	200.3	204.2	213.4	262.6	276.7	226.3	363.5	308.8	335.3	387.5	15.6%	7.7%	404.0	4.3%	455.5	12.7%	400.0	3.2%	430.0	7.5%	394.1	99%
Health Care	137.2	152.1	156.9	171.1	187.9	205.7	226.2	291.7	307.9	243.9	253.3	3.9%	6.3%	295.0	16.5%	327.0	10.8%	285.0	12.5%	316.0	10.9%	280.0	98%
Industrials	96.8	98.1	95.3	105.1	129.1	112.1	71.1	118.0	135.8	160.3	163.9	2.3%	5.4%	175.1	6.8%	203.5	16.2%	165.0	0.7%	187.0	13.3%	171.5	104%
Information Technology	162.8	169.0	173.7	206.8	241.8	237.4	269.4	443.3	370.9	384.0	459.5	19.7%	10.9%	545.1	18.6%	637.8	17.0%	540.0	17.5%	619.0	14.6%	540.0	100%
Materials	24.6	23.1	22.1	28.8	35.9	33.7	32.2	62.3	64.9	49.8	48.3	-3.1%	7.0%	50.0	3.6%	58.6	17.3%	46.5	-3.6%	50.0	7.5%	45.5	98%
Real Estate	22.0	23.7	27.5	31.0	34.8	36.3	36.2	43.1	50.4	52.7	55.6	5.5%	9.7%	56.2	1.2%	60.3	7.3%	54.0	-2.8%	57.0	5.6%	53.4	99%
Utilities	32.3	32.5	34.9	36.7	40.0	45.2	46.8	47.4	48.7	53.1	62.5	17.7%	6.8%	65.7	5.1%	71.0	8.1%	66.5	6.4%	71.5	7.5%	73.4	110%
S&P 500	971.3	974.1	982.7	1103.8	1322.5	1322.7	1210.8	1878.7	1863.4	1881.6	2074.0	10.2%	7.9%	2253.3	8.6%	2567.7	14.0%	2198.0	6.0%	2437.5	10.9%	2205.4	100%
S&P ex. Energy (\$bn)	876.9	934.2	972.1	1067.0	1253.5	1274.7	1217.5	1802.6	1669.2	1743.7	1963.7	12.6%	8.4%	2153.4	9.7%	2446.7	13.6%	2098.0	6.8%	2322.5	10.7%	2105.4	100%
S&P ex. Tech (\$bn)	808.5	805.1	809.0	897.0	1080.7	1085.3	941.3	1435.4	1492.5	1497.5	1614.4	7.8%	7.2%	1708.2	5.8%	1929.9	13.0%	1658.0	2.7%	1818.5	9.7%	1665.4	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	\$1,967	5.1%	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%	12.3%												
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																		
2024A	245	56.50	60.50	63.00	65.00																		
2025E	260	62.00	64.00	65.00	69.00																		

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 4/24/2025. 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

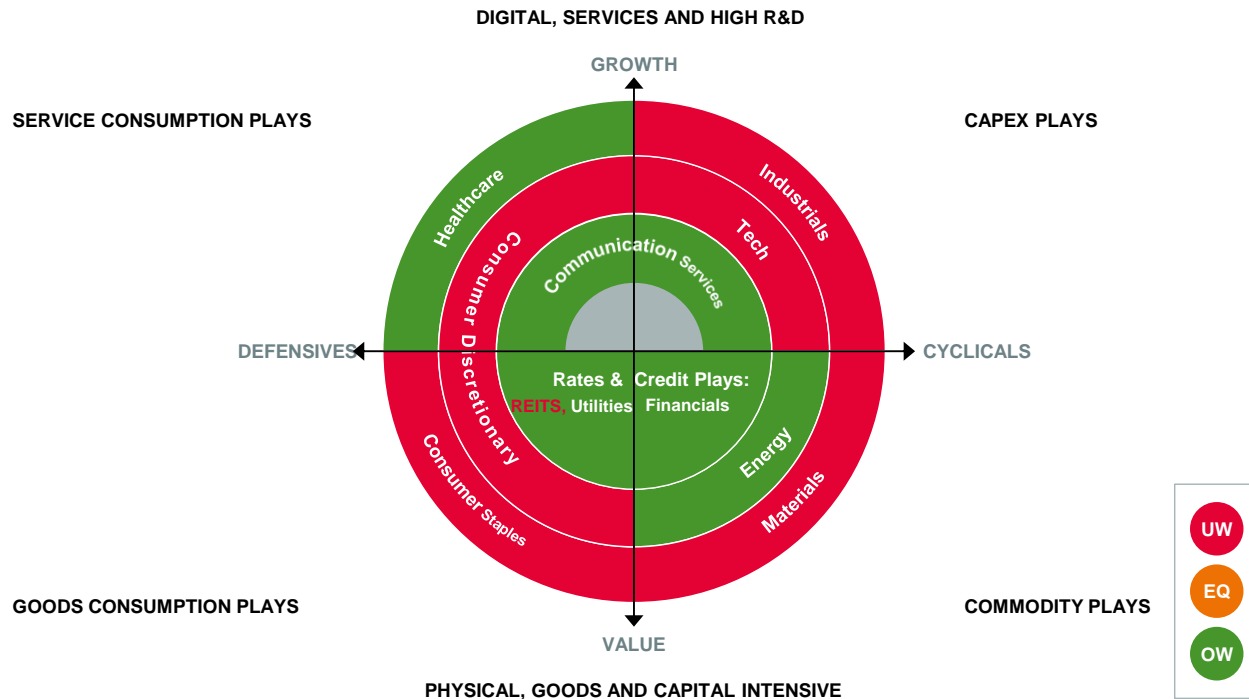


	Market	Allocated	Sector	2024	2025	Overweight	2024	2025	Equal weight	2024	2025	Underweight	2024	2025	Sector OW	9.36%
Over-weight	11.0%	14.7%	Health Care	19.0	17.9	Biotechnology	21.4	18.0				Health Care Providers & Services	15.1	14.4	Sector UW	-9.36%
						Health Care Equipment & Supplies	26.5	26.2				Life Sciences Tools & Services	21.6	21.9	Industry OW	17.43%
						Pharmaceuticals	17.0	16.0							Industry UW	-17.43%
	14.4%	18.0%	Financials	17.6	17.0	Banks	12.6	12.3	Financial Services	26.3	25.8	Consumer Finance	14.3	14.8	Beta	0.96
						Capital Markets Insurance	19.4	17.9							Tracking Error	175bp
	2.6%	3.7%	Utilities	18.8	17.6	Electric Utilities	18.5	17.4	Gas Utilities	22.6	20.6				Macro tilts:	
						Multi-Utilities	20.2	18.8	Independent Power & Renewable E	13.1	12.5					
	9.4%	9.9%	Communication Services	20.7	18.8	Entertainment	74.3	34.4	Water Utilities	28.1	25.6	Diversified Telecommunication Servi	10.7	11.1	Great 8	-0.40%
						Interactive Media & Services	21.1	19.5	Wireless Telecommunication Servi	28.0	25.3	Media	9.2	9.5	Tech + Communications	0.37%
	3.2%	3.5%	Energy	15.3	16.9	Energy Equipment & Services	10.7	11.8	Oil Gas & Consumable Fuels	15.8	17.4				Cyclicals (ex. Tech/Comm)	-1.99%
Under-weight	30.1%	29.9%	Information Technology	29.6	25.2	Software	31.5	28.1	Technology Hardware Storage & P	28.7	27.2	Communications Equipment	18.1	18.0	Non-Cyclicals	1.57%
						IT Services	22.3	21.8				Electronic Equipment	23.7	23.7	Value (Financial+Energy)	3.85%
	2.0%	1.5%	Materials	21.0	21.7				Chemicals	22.7	22.8	Semiconductors	31.6	22.8	Growth Industries	6.96%
									Construction Materials	21.5	30.8	Containers & Packaging	21.7	21.4	Growth ex Health Care	3.21%
									Metals & Mining	15.4	16.8	Consumer			Services/Experience	-0.98%
	8.5%	7.5%	Industrials	24.1	23.9	Aerospace & Defense	45.5	29.8	Construction & Engineering	31.6	27.4	Building Products	21.9	24.2	Disc. Goods/Retail	-1.67%
						Air Freight & Logistics	13.3	14.4	Industrial Conglomerates	20.0	21.9	Commercial Services & Supplies	38.2	36.3	Durable Goods	-1.65%
						Electrical Equipment	30.6	26.8	Machinery	18.1	19.9	Ground Transportation	18.3	23.1	Staples Goods/Retail	-0.72%
									Passenger Airlines	8.7	8.7	Professional Services	29.3	29.6	Commodity	-0.69%
												Trading Companies & Distributors	23.8	25.1	Energy Ex. Services	-0.53%
	2.2%	1.2%	Real Estate	17.8	18.4				Hotel & Resort REITs	7.1	7.6	Health Care REITs	18.7	17.6	Metals/Chemicals	-0.16%
									Industrial REITs	19.1	19.5	Residential REITs	17.7	17.4	Capex	4.95%
									Office REITs	9.5	10.6	Retail REITs	12.0	12.5	Capacity additions	1.64%
									Real Estate Mgmt. & Development	39.7	37.7				Productivity	3.31%
									Specialized REITs	19.0	20.7				Health Care	3.75%
	6.3%	4.0%	Consumer Staples	23.9	25.2	Beverages	20.6	20.9	Personal Care Products	21.5	16.8	Consumer Staples Distribution & Ret	33.5	36.3	Medicine	3.20%
												Food Products	14.8	16.7	Devices/Equip./Tools	1.64%
												Household Products	23.5	25.1	Insurers/Facilities	-1.09%
												Tobacco	19.4	18.4	Financials	3.61%
	10.4%	6.1%	Consumer Discretionary	26.2	27.2	Automobile Components	8.3	8.6	Broadline Retail Distributors	32.2	30.2	Automobiles	31.8	37.3	Bond Substitutes	-2.27%
			Automobiles	31.8	37.3					15.1	16.4	Hotels Restaurants & Leisure	25.7	24.3	Weak FX \$ plays	-0.89%
			Broadline Retail	31.5	29.6				Household Durables	10.6	13.5	Specialty Retail	23.8	26.2	High R&D plays	5.68%
			CD ex Auto & Broadline Retail	22.0	23.5				Leisure Products	15.0	15.6				Transports	-0.25%
									Textiles Apparel & Luxury Goods	18.8	24.4				Geopolitical risk	0.72%
Aggregate PE: DWS View						Overweight	21.8	20.0	Equalweight	21.6	21.5	Underweight	23.8	22.4	Weak oil prices	-2.08%
S&P 500									2024 & 2025 EPS	245.00	260.00	2024 & 2025 PE	22.4	21.1	Inflation shock	-0.54%
									Bottom-up Consensus EPS	245.17	266.37	Bottom-up Cons. PE	22.4	20.6	Stagflation protection	1.76%
												2024 & 2025 Ex Energy PE	22.8	21.5	Trade sensitive	-0.02%
												Btm-up Cons. Ex Energy PE	23.0	20.9	Domestic GDP	1.03%
															Global GDP	-1.00%

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

Source: Factset, DWS Investment GmbH as of 4/24/2025. 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 April 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	GAAP/Non-FAAP EPS 5yr Avg	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	4,435	18.8	236.0	99%	234.7	82%	-7%	218.3	11%	0.83	5.10%	4,280	15%	4,922	1.0%	5,249	22.4	18%	16%
Consumer Discretionary	4,774	27.2	175.5	105%	183.4	88%	-6%	172.4	10%	0.76	5.25%	3,284	29%	4,221	0.8%	4,516	24.6	-5%	-8%
Automobiles	821	37.3	22.0	110%	24.2	75%	-10%	21.8	32%	0.99	5.75%	379	35%	511	0.4%	552	22.8	-33%	-36%
Broadline (Internet) Retail	1,701	29.6	57.5	110%	63.3	98%	-5%	60.1	0%	0.18	5.10%	1,178	50%	1,767	0.0%	1,901	30.1	12%	9%
ex. Auto & Broadline (Internet) Retail	2,252	23.5	96.0	100%	96.0	90%	-6%	90.6	13%	0.78	5.24%	1,727	12%	1,943	1.6%	2,063	21.5	-8%	-11%
Consumer Staples	3,259	25.2	129.5	100%	129.5	84%	-5%	123.0	14%	0.84	5.00%	2,461	5%	2,584	2.2%	2,721	21.0	-16%	-19%
Energy	1,688	16.9	100.0	100%	100.0	97%	-5%	95.0	14%	0.90	5.75%	1,652	-15%	1,404	3.2%	1,475	14.7	-13%	-15%
Financials	6,811	17.0	400.0	99%	394.1	98%	-7%	365.5	1.11	1.11	5.75%	6,356	0%	6,356	1.5%	6,786	17.2	0%	-3%
Banks	1,717	12.3	139.5	100%	139.5	95%	-7%	129.7	1.11	1.11	6.00%	2,162	-10%	1,946	2.7%	2,059	14.8	20%	17%
Health Care	5,097	17.9	285.0	98%	280.0	64%	-10%	252.0	10%	1.14	5.20%	4,846	10%	5,331	1.8%	5,644	20.2	11%	8%
Industrials	3,947	23.9	165.0	104%	171.5	84%	-5%	162.9	15%	0.88	5.25%	3,103	10%	3,414	1.5%	3,628	21.2	-8%	-11%
Information Technology	13,604	25.2	540.0	100%	540.0	89%	-3%	523.8	2%	0.95	5.10%	10,271	35%	13,865	0.7%	14,817	27.4	9%	6%
Materials	1,011	21.7	46.5	98%	45.5	80%	-7%	42.3	16%	0.90	5.50%	769	10%	846	2.0%	898	19.7	-11%	-14%
Real Estate	993	18.4	54.0	99%	53.4	80%	-12%	47.0	35%	1.79	5.25%	895	5%	940	3.7%	978	18.3	-2%	-4%
Utilities	1,173	17.6	66.5	110%	73.4	78%	-7%	68.2	79%	-0.81	5.25%	1,299	0%	1,299	3.1%	1,360	18.5	16%	13%
S&P 500 (\$ bn)	46,791	21.3	2198.0	100%	2205.4	84%	-6.1%	2070.4			5.27%	39,217	15.2%	45182	1.4%	48,071	21.8	3%	0%
S&P 500 Index (\$/sh)	5485	21.1	260.0	100%	260.0	84%	-5.8%	245.0	10%	0.93	5.25%	4667	15.1%	5371	1.4%	5703	21.9	4%	0%

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

Source: IBES, DWS Investment GmbH as of 4/24/2025. 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	\$260.00	DWS 2025E S&P 500 DPS	\$84.00	DWS 2025E S&P 500 aggregate ROE	23.6%	Fair long-term nominal return on S&P 500 index	7.75%
DWS "normal 2025" S&P 500 EPS	\$260.00	DWS "normal 2025E" S&P 500 DPS	\$84.00	2024E end S&P 500 book value per share	\$1,100	Components of estimated fair S&P 500 return:	
"Normal 2025E" EPS / 2025 EPS	100%	Normal dividend payout ratio	34%	DWS "normal 2025E" S&P 500 aggregate ROE	22.3%	+ Long-term real risk free interest rate	2.00%
Accounting quality adjustment to pro forma EPS	-\$15.00	EPS directed to net share repurchases	\$74.00			+ Long-term fair S&P 500 equity risk premium*	3.25%
Normal 2025E S&P 500 EPS fair to capitalize	\$245	Normal share repurchase payout ratio	30%	S&P EPS retained for operating reinvestment	36%	= Long-term real S&P 500 cost of equity	5.25%
Key principle: steady-state value = normal EPS / real CoE		Total payout of S&P 500 EPS	\$158.00	Estimated ROE on reinvested S&P EPS	9.00%	+ Long-term inflation forecast	2.50%
S&P 500 EPS Capitalization Valuation		Total payout ratio of normal and quality adj. EPS	64%	Economic margin (EM) or ROE-CoE	1.25%	= S&P 500 nominal cost of equity	7.75%
Normal EPS / (real CoE - (EM/payout) - EM):		S&P 500 DPS Discount Model		Sources of long-term earnings growth:		* S&P 500 ERP history 300-400bps, w/ real CoE @ 5% - 6%	
S&P 500 intrinsic value at 2025 start	5371	Normal DPS / (nominal CoE - DPS growth):		+ Long-term inflation forecast	2.50%	Fair S&P 500 Market Value and Book Value Multiple	
S&P 500 intrinsic value at 2025 end	5703	S&P 500 intrinsic value at 2025 start	5371	+ Fair return on operating reinvestment	1.86%	2024E end S&P 500 book value per share	\$1,100
Implied fair fwd PE in early 2025 on 2025E \$260 EPS	20.7	Implied fair forward yield on 2025E DPS of \$84.0	1.56%	+ Value added earnings growth on op. reinvestment	0.44%	Fair PB = Fair PE * normal aggregate ROE	4.88
Implied fair trailing PE at 2025 end on 2025E \$260 EPS	21.9	Implied fair trailing yield on 2025E DPS of \$84.0	1.47%	= Long-term earnings growth	4.81%	Fair PE = (inc ROE-g)/(inc real ROE*(real CoE-real g))	20.66
				+ Growth from net share repurchases	1.38%	Implied S&P 500 fair value of book at 2025 start	5371
				= Long-term S&P 500 EPS/DPS growth	6.19%	Steady-state PB = normal agg. ROE / real CoE	4.24
				+ Fair normal dividend yield	1.56%	Confirmed by fair steady-state PE = 1 / real CoE	19.0
				= Total long-term return at constant PE	7.75%		

Normal EPS / (real CoE - value added EPS growth)	54.1%	DPS discount model using true DPS (all payout)	5703	Value added growth premium in fair value est.	15.1%	Normal 2025E economic profit per share	\$187.25
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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					
	\$250	\$255	\$260	\$265	\$270
4.75%	6003	6192	6385	6582	6783
5.00%	5669	5845	6024	6207	6393
5.25%	5372	5536	5703	5873	6046
5.50%	5105	5259	5415	5574	5735
5.75%	4864	5009	5156	5305	5456

Index	3M relative View	Current Level	Previous Target CIO Day	Target Mar 26	Chg in Target	Expected Total Return Mar 26	----- thereof -----							
							Assumptions							
		23/04/2025		(rounded)				EPS growth NTM*	LTM multiple impact	Dividend Yield	EPS N TMT* (e)	EPS N TMT DW 5 vs. Cons.	Target LTM P/E in Mar 26	Target P/E discount to US
S&P 500		5,401	6,300	5,800	-8%	9.0%	USD	7.0%	0%	1.7%	266	-3.8%	21.7x	
Stoxx 600		517	570	550	-4%	10.0%	EUR	3.5%	3%	3.6%	37.2	-2.7%	14.7x	-32%
EuroStoxx 50		5,099	5,600	5,400	-4%	9.2%	EUR	3.5%	2%	3.3%	358	-2.4%	15.0x	-31%
DAX40		21,962	24,000	23,500	-2%	7.0%	EUR	12.9%	-8%	2.9%	1488	-1.9%	15.3x	-29%
SMI		11,809	13,350	12,500	-6%	9.1%	CHF	4.8%	1%	3.3%	721	-1.2%	17.3x	-20%
FTSE 100		8,403	8,750	8,700	-1%	7.3%	GBP	2.3%	1%	3.8%		-4.1%	13.0x	-40%
MSCI EM		1,096	1,200	1,160	-3%	9.0%	USD	8.3%	-2%	3.1%	85.0	-6.9%	13.7x	-37%
MSCI AC Asia xJ		706	770	750	-3%	9.1%	USD	7.5%	-1%	2.9%	52.9	-5.1%	14.2x	-34%
MSCI Japan		1,570	1,780	1,690	-5%	10.3%	YEN	4.0%	3%	2.6%	114.3	-5.7%	14.7x	-32%
MSCI Australia		1,586	1,600	1,600	0%	4.7%	AUD	0.0%	2%	3.8%	89.8	0.3%	18.0x	-17%

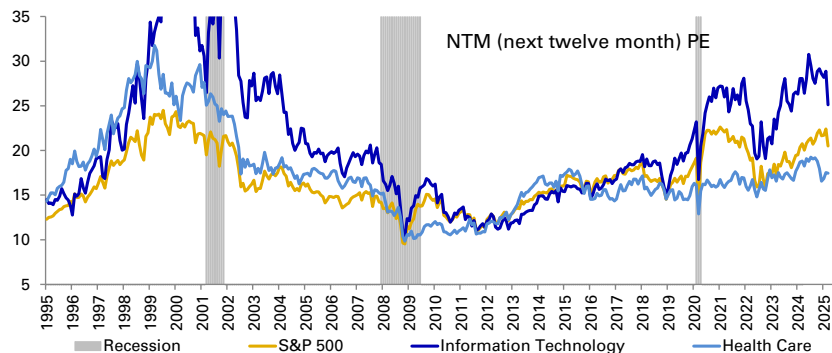
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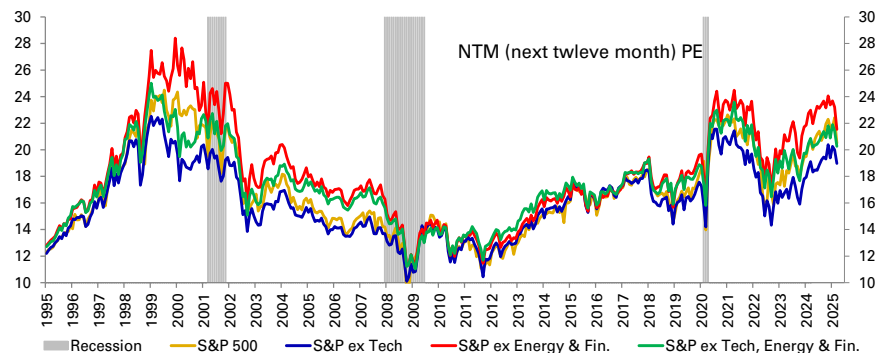
S&P 500 PRICE-TO-EARNINGS (P/E) RATIO



S&P 500, TECH AND HEALTH CARE FORWARD PE



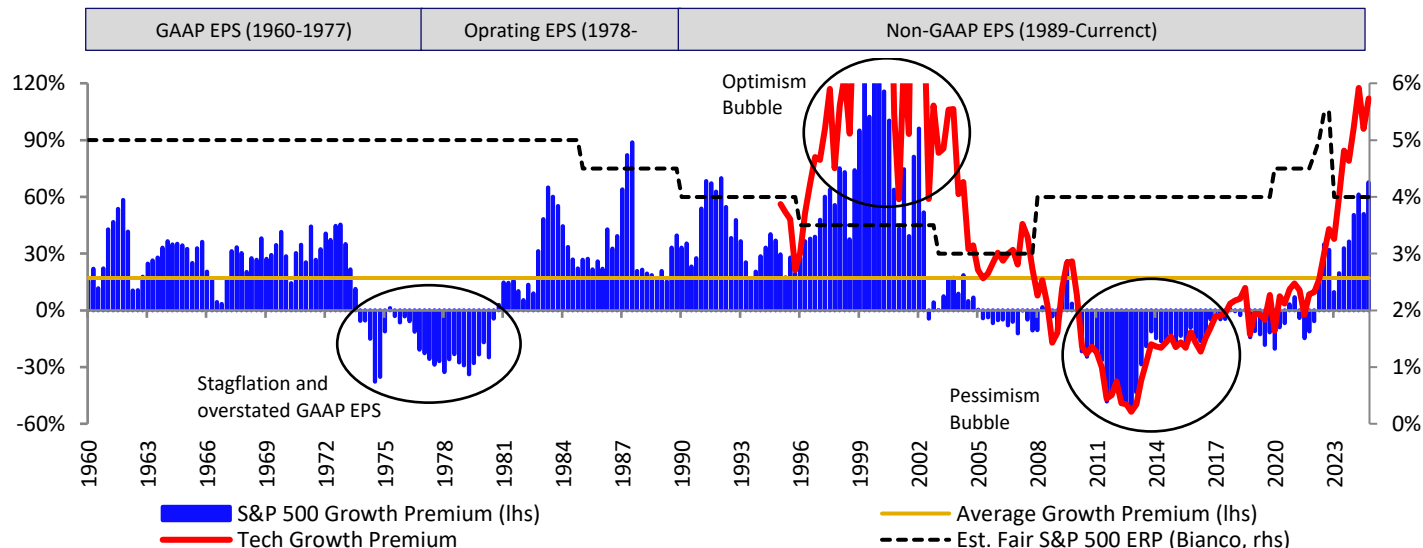
S&P 500 EX TECH ENERGY & FINANCIALS FORWARD PE



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

Source: Factset, DWS Investment GmbH as of 3/31/2025. 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.

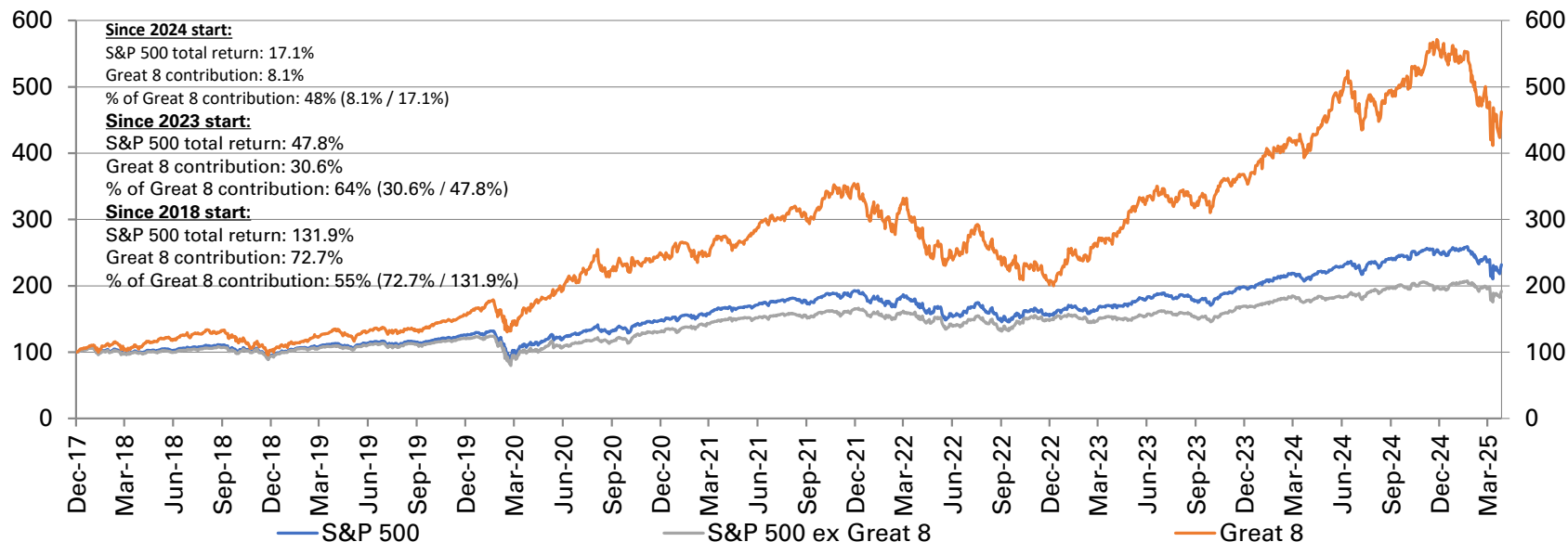
S&P 500 AND TECH SECTOR GROWTH PREMIUM



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

Source: IBES, Haver, DWS Investment GmbH as of 4Q2024. It is not possible to invest directly in an index. Past performance is not a guarantee of future results.

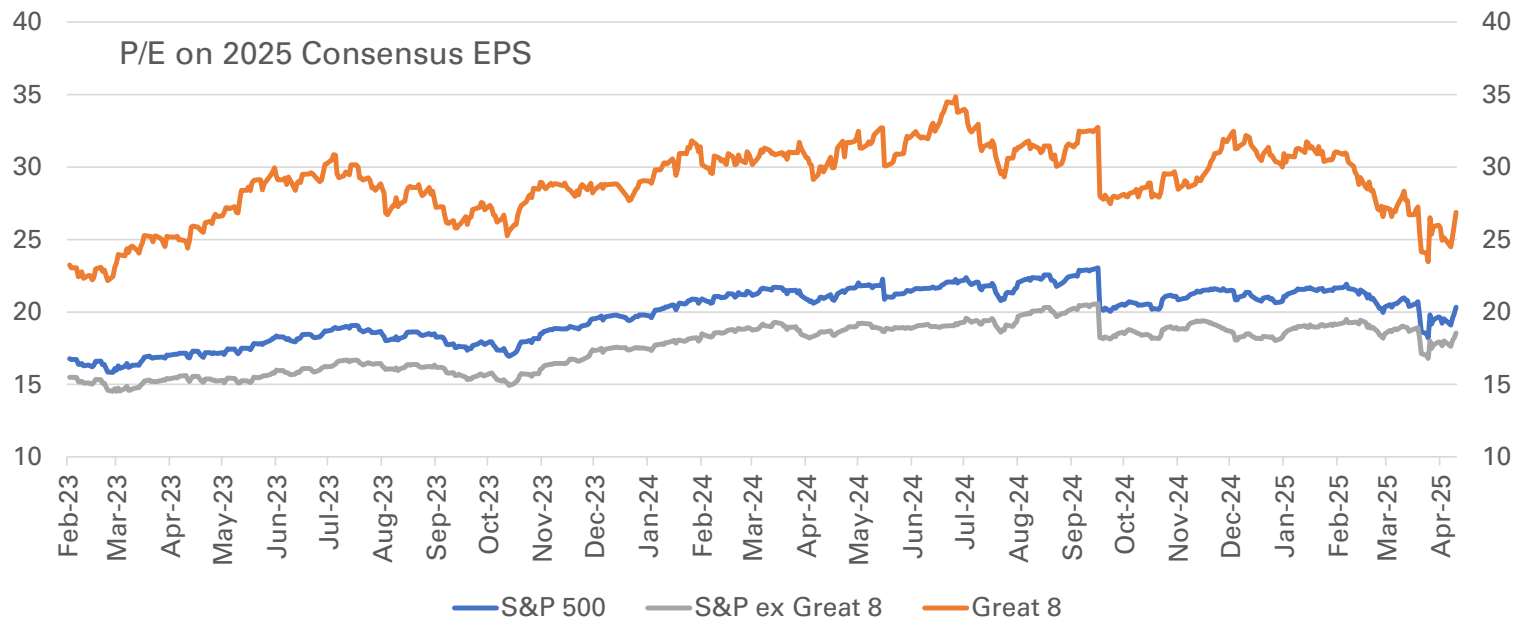
S&P 500 AND THE GREAT 8 TOTAL RETURN



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

Source: IBES, Factset, DWS Investment GmbH as of 4/24/2025. 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

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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.

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All investments involve risks, including potential loss of principal.

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