

# S&P 500 EPS TRACKER: 3Q25

**Americas CIO View** 

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# **3Q 2025 EARNINGS SEASON OBSERVATIONS**

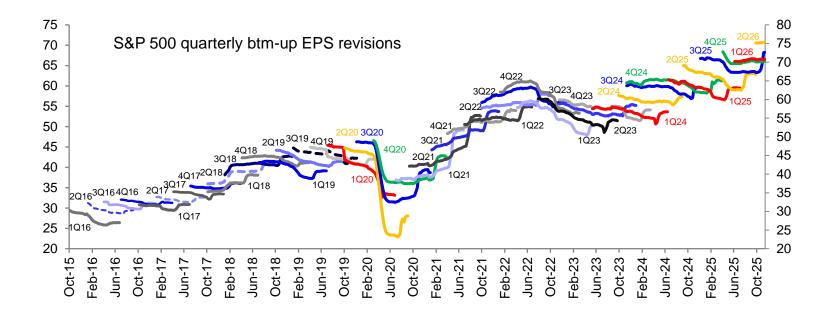


- This data reflects the 454 S&P 500 companies or 89% of index earnings that have reported as of Thursday Nov 13th.
- Bottom-up blended 3Q earnings per share (EPS) is \$72.60 (actual results for companies reported and consensus estimates for the rest), +13.3% year-over-year (y/y). META had a one-time non-cash income tax charge of \$15.9bn in 3Q. If excluding this META charge, S&P 500 3Q bottom-up EPS is \$74.20, 15.9% y/y. If the rest of the companies beat by 3-5% in aggregate, then 3Q EPS will finish at around \$73.00. Our estimate for 3Q is \$68. Blended sales growth is +6.7% y/y. Blended pro-forma net margin is 13.6%, vs. 12.9% in 2Q25 and 12.6% a year ago.
- Bottom-up 3Q EPS y/y growth is 17.6% at the Great 8 (28.7% y/y if excluding the META tax charge) (AAPL, AMZN, GOOG/GOOGL, META, MSFT, NFLX, NVDA, TSLA) and 12.1% at the S&P ex. the Great 8. Bottom-up 3Q sales growth is 17.5% at the Great 8 and 5.3% at the S&P ex. the Great 8.
- S&P 500 ex the Great 8's 2025 consensus EPS have been cut by 3.4% since 2025 start (cut by 8.2% since 2024 start). The Great 8's 2025 consensus EPS have been raised by 4.6% since 2025 start (raised by 22.9% since 2024 start).
- 78% of reporting companies beat on EPS and 18% missed (the rest in-line), with an aggregate surprise of +5.9%, +4.6% ex Financials. Historic average EPS beat is +3.5% (2011-2025 average, excluding 2020-2021). 55% beat on sales and 20% missed, with an aggregate surprise of +2.5%, +2.2% 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 \$274.95. Our estimate is \$275 (\$260=\$63+\$67+\$72+\$73), up 12% y/y. This assumes soft manufacturing persists in 2025 and very strong EPS growth from Tech and Communications.
- By sector, 3Q blended EPS y/y growth is strongest at Tech (+28% y/y), Financials (25%), Industrials (20%), Materials (17%), Utilities (14%) and Consumer Discretionary (7.2%). EPS y/y growth is weakest at Communication Services (-6.8%% y/y, +16.3% y/y if excluding the META tax charge), Energy (0.3%), Consumer Staples (0.8%) and Real Estate (2.5%).
- 3Q blended sales y/y growth is strongest at Tech (+16% y/y), Health Care (10%), Communication Services (8.0%), Utilities (7.0%), Industrials (6.9%), Real Estate (6.5%) and Consumer Discretionary (6.1%). Sales y/y growth is weakest at Financials (-0.9% y/y), Materials (2.1%) and Energy (2.1%).
- 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 2025 consensus EPS is 21.1x, PE of the Great 8 is 35.1x. Overall S&P PE is 24.7x.
- 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. In our view, both are at risk to higher Treasury yields.

Source: Factset, DWS Investment GmbH as of 11/13/2025. 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. Any mentions of specific securities are for illustrative purposes only and should not be considered a recommendation.

# S&P 500 QUARTERLY EPS REVISION





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#### S&P 500 EPS REVISION

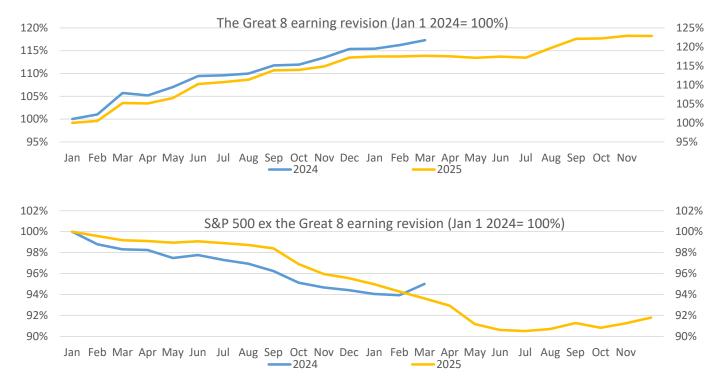




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# S&P 500 AND THE GREAT 8 EPS REVISIONS





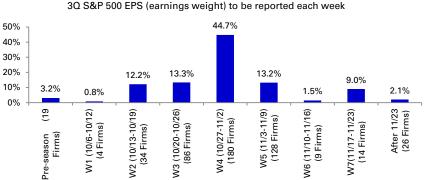
The Great 8: AAPL, AMZN, GOOG/GOOGL, META, MSFT, NFLX, NVDA, TSLA.

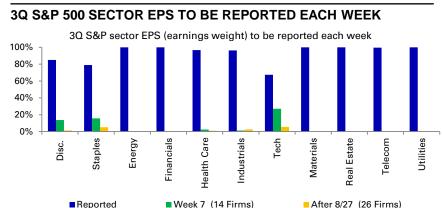
Source: IBES, Factset, DWS Investment GmbH as of 11/13/2025. Past performance is not a guarantee of future results. It is not possible to invest directly in an index. This information should not be construed as a recommendation of any specific security. Forecasts are not a reliable indicator of future returns. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect.

# 3Q 2025 S&P 500 EARNINGS SEASON SCHEDULE



#### 3Q S&P 500 EPS TO BE REPORTED EACH WEEK





Source: Factset, DWS Investment GmbH as of 11/13/2025, for illustrative purposes only. Past performance is not a guarantee 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. It is not possible to invest directly in an index.

# 3Q 2025 EARNINGS SEASON SUMMARY STATISTICS



			3Q25	Summar	y (Based on r	eported o	companie	s)		
	% of EPS	# Cos	EPS (%	of co's)	EPS	EPS	Sales (%	of co's)	Sales	Sales
	reported	reported	% beat	% miss	surprise (%)	y/y (%)	% beat	% miss	surprise (%)	y/y (%)
S&P 500	88.6%	454	78%	18%	5.9%	12.0%	55%	20%	2.5%	6.5%
S&P ex. Tech	95.5%	403	77%	19%	5.4%	9.7%	53%	22%	2.6%	6.0%
S&P 500 ex. Financials & Real Est	85.5%	353	78%	18%	4.6%	9.2%	56%	21%	2.2%	7.8%
S&P 500 ex. Energy	88.1%	432	79%	18%	6.0%	12.6%	55%	20%	2.4%	6.9%
S&P ex. Energy, Financials & Real Est	84.6%	331	78%	18%	4.5%	9.8%	56%	21%	2.1%	8.4%
Communication Services	99.5%	21	57%	38%	-11.6%	-6.8%	33%	38%	0.9%	8.2%
Consumer Discretionary	85.0%	41	73%	29%	12.5%	8.1%	61%	20%	3.6%	6.7%
Consumer Staples	79.1%	28	75%	11%	4.1%	1.2%	39%	43%	2.7%	6.8%
Energy	100.0%	22	73%	18%	4.8%	0.3%	59%	23%	3.8%	2.1%
Financials	100.0%	70	84%	16%	11.6%	24.6%	60%	19%	4.1%	-0.9%
Health Care	96.7%	59	88%	8%	5.3%	4.7%	66%	10%	2.2%	10.4%
Industrials	96.3%	72	79%	17%	9.7%	21.2%	51%	22%	2.3%	6.9%
Information Technology	67.5%	51	92%	8%	8.4%	22.7%	69%	4%	1.8%	11.7%
Materials	100.0%	29	62%	24%	5.0%	17.4%	48%	31%	-0.3%	2.1%
Real Estate	100.0%	31	71%	23%	1.8%	2.5%	29%	6%	1.4%	6.5%
Utilities	99.2%	30	73%	23%	7.3%	14.2%	60%	30%	1.0%	7.0%
Great 8 *	78.7%	8	75%	25%	1.4%	10.6%	75%	0%	2.1%	14.4%
S&P ex Great 8	91.7%	449	78%	17%	7.2%	12.3%	54%	20%	2.5%	5.4%

#### \* # Beat, # miss and weighted surprise % is based on EPS and sales estimate as of 9/30/2025 (as of 9/1/2025 for pre-season reporters)

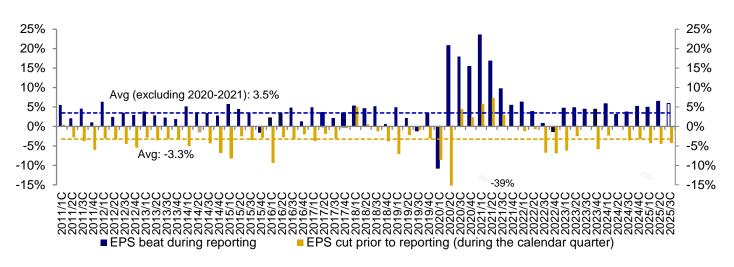
EPS is considered beat or miss when the difference between actual and estimate as of 9/30/2025 is more than \$0.01 (9/1/2025 for pre-season reporters)

Sales is considered beat or miss when the difference between actual and estimate as of 9/30/2025 is more than \$20 million (9/1/2025 for pre-season reporters,

# S&P 500 QUARTERLY EPS REVISION AND SURPRISE



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



#### S&P 500 EPS GROWTH BY SECTOR



# 3Q25 is blended with actual for reported and consensus for the rest

		202	21				20	22				202	23				20	)24				2025	
EPS growth (y/y)	1Q21	2Q21	3Q21	4Q21	2021	1Q22	2Q22	3Q22	4Q22	2022	1Q23	2Q23	3Q23	4Q23	2023	1Q24	2Q24	3Q24	4Q24	2024	1Q25	2Q25	3Q25
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%	8.7%	16.4%	11.4%	13.0%	11.5%	13.3%
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%	6.2%	15.5%	9.2%	11.9%	8.4%	9.3%
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%	9.1%	13.2%	10.3%	15.2%	12.0%	11.3%
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%	11.4%	19.9%	14.0%	15.1%	13.5%	14.0%
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%	12.6%	17.3%	13.4%	18.2%	14.7%	12.0%
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%	30.8%	47.5%	-6.8%
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%	25.4%	18.9%	7.9%	4.4%	7.2%
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%	25.6%	21.7%	17.2%	10.6%	10.5%
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%	5.3%	4.1%	-10.9%	-6.4%	-3.5%
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%	1.5%	3.9%	-3.5%	-0.5%	-1.2%
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%	1.4%	2.7%	-5.0%	0.4%	0.8%
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%	-19.6%	-21.4%	0.3%
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%	34.1%	18.0%	6.4%	10.7%	24.6%
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%	14.5%	5.3%	45.0%	8.1%	4.7%
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%	9.7%	4.3%	9.5%	2.2%	19.9%
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%	20.0%	8.2%	8.0%	1.1%	13.0%
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%	-10.2%	0.0%	1.2%	1.9%	12.8%
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%	19.1%	20.0%	17.2%	23.4%	27.7%
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%	5.0%	-4.2%	-3.8%	-0.8%	17.4%
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%	5.9%	2.3%	-0.2%	2.1%	2.5%
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%	5.4%	12.4%	17.3%	5.7%	-1.6%	14.3%

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

#### S&P 500 SALES GROWTH BY SECTOR



# 3Q25 is blended with actual for reported and consensus for the rest

,	•		2021				20:	22				202	23				20	)24				2025	
Sales growth (y/y)	1Q21	2Q21	3Q21	4Q21	2021	1Q22	2Q22	3Q22	4Q22	2022	1Q23	2Q23	3Q23	4Q23	2023	1Q24	2Q24	3Q24	4Q24	2024	1Q25	2Q25	3Q25
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%	5.3%	3.5%	5.1%	6.7%
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%	3.8%	5.0%	3.6%	4.9%	5.6%
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%	4.3%	5.2%	4.9%	6.2%	7.8%
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%	5.4%	6.6%	4.9%	7.1%	7.0%
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%	5.1%	5.9%	5.4%	7.7%	8.4%
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%	7.4%	7.1%	13.1%	6.0%	8.5%	8.0%
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%	6.2%	10.7%	2.8%	5.0%	6.1%
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%	6.0%	12.1%	4.4%	6.8%	7.0%
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%	4.4%	10.6%	0.6%	2.0%	3.2%
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%	3.3%	12.8%	2.1%	3.4%	3.4%
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%	0.6%	-30.1%	-0.2%	2.4%	4.3%
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%	0.1%	-8.3%	2.1%
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%	7.4%	6.8%	11.1%	2.0%	3.9%	-0.9%
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%	8.8%	0.5%	8.7%	10.9%	10.3%
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%	-1.0%	-2.2%	14.4%	1.4%	4.0%	6.9%
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%	-1.7%	1.0%	15.7%	-0.4%	1.6%	4.7%
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%	-3.0%	-4.6%	20.8%	1.1%	5.1%	9.1%
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%	11.8%	14.5%	12.8%	14.8%	15.7%
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%	-1.5%	7.8%	2.1%
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%	8.8%	7.5%	5.1%	8.3%	6.5%
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%	0.8%	3.3%	11.6%	7.4%	7.0%

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

#### S&P 500 NET MARGINS BY SECTOR



## 3Q25 is blended with actual for reported and consensus for the rest

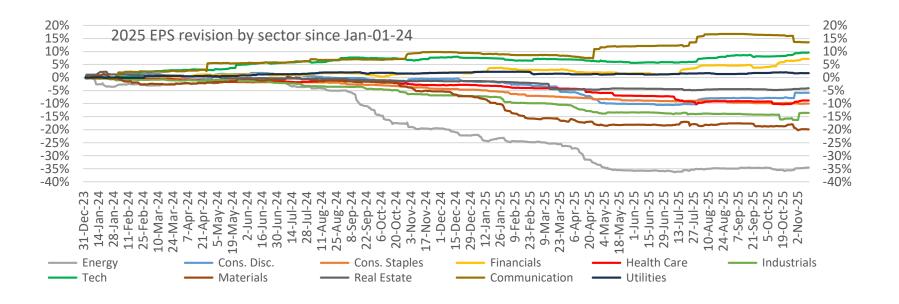
			2021				20	022				20	123				2	024				2025	
Net margins	1Q21	2Q21	3Q21	4Q21	2021	1Q22	2Q22	3Q22	4Q22	2022	1Q23	2Q23	3Q23	4Q23	2023	1Q24	2Q24	3Q24	4Q24	2024	1Q25	2025 2Q25	3Q25
S&P 500	13.7%	13.9%	13.7%	13.2%	14.2%	13.1%	12 10/	12 69/	11.6%	12.6%	11.9%	11 00/	12.7%	11.7%	12.0%	12.1%	12.4%	12.6%	12.9%	12.5%	13.0%	12.9%	13.6%
S&P 500 ex. Tech	12.4%	12.6%	12.4%	11.6%	12.2%	11.8%	10.170	14.50/	10.076	11.3%	10.8%	10.70/	14.70/	10.0%	10.6%	10.5%	11.0%	14.0%	11.0%	10.9%	11.3%	11.2%	11.6%
			12.4%		12.2%		12.170	11.0%	10.3%	11.3%	10.8%	10.7%	11.5%	11.0%	10.0%	10.5%	11.3%	11.6%			11.9%		12.2%
S&P 500 ex. Financials & Real Est	11.9%	12.3%		12.1%		12.0%	12.2%	11.8%	10.7%	11.7%	10.8%	10.9%	11.0%		11.0%				11.8%	11.4%		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%	12.9%	13.3%	12.8%	13.3%	13.3%	14.0%
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%	11.9%	12.2%	11.7%	12.3%	12.1%	12.6%
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%	22.5%	21.3%	17.1%
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%	8.6%	9.4%	10.3%
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%	9.7%	10.7%	11.8%
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%	7.5%	8.7%	9.6%
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%	9.8%	9.9%	8.8%	10.5%	11.8%
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%	6.1%	6.2%	6.2%
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%	8.2%	7.9%	8.2%
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%	19.1%	17.8%	18.3%	19.2%	21.8%
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%	8.7%	8.0%	7.8%
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%	10.0%	11.3%	9.6%	10.3%	10.6%	10.8%
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%	12.5%	13.2%	11.1%	11.0%	11.9%	13.4%
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%	10.1%	10.0%	9.4%	11.3%	11.0%	10.0%
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%	26.5%	26.8%	28.8%
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%	9.9%	9.9%	9.4%	10.8%	10.7%
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%	34.3%	34.9%	34.3%	34.0%	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%	15.8%	13.0%	14.3%	14.1%	12.8%	17.1%

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 11/13/2025. For illustrative purposes only. It is not possible to invest directly in an index. Past performance is not a guarantee 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 2025 EPS REVISION BY SECTOR

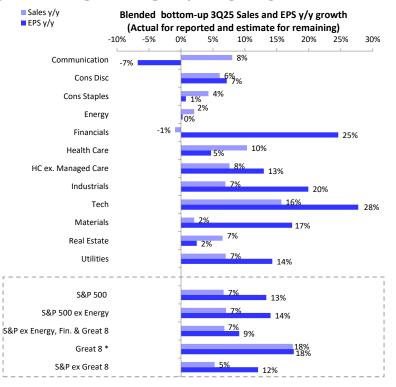




Source: Factset, DWS Investment GmbH as of 11/13/2025. For illustrative purposes only. Past performance is not a guarantee of future results. It is not possible to invest directly in an index. Forecasts are not a reliable indicator of future returns. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect.

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

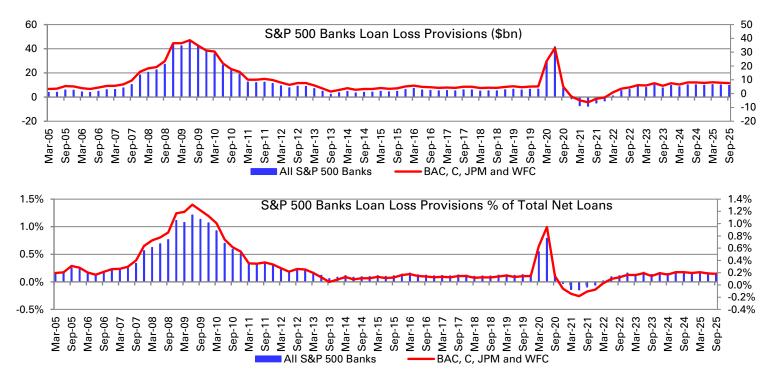




<sup>\*</sup>Great 8: AAPL, AMZN, GOOG/GOOGL, META, MSFT, NFLX, NVDA, TSLA

# S&P 500 BANKS LOAN LOSS PROVISIONS

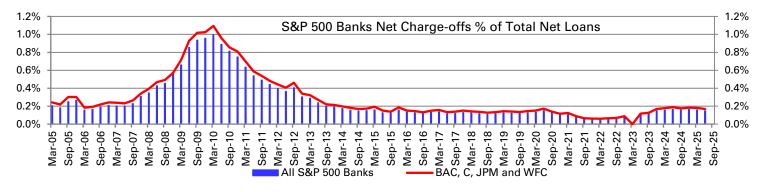


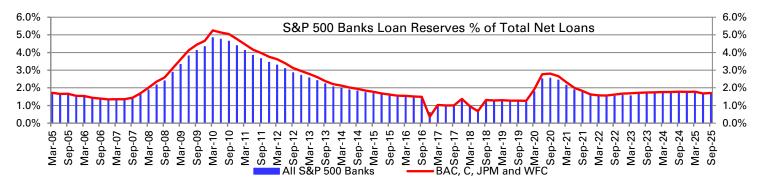


Source: Factset, DWS Investment GmbH as of 11/13/2025 . For illustrative purposes only. It is not possible to invest directly in an index. Past performance is not a guarantee of future results.

# S&P 500 BANKS LOAN RESERVES AND CHARGE-OFFS







Source: Factset, DWS Investment GmbH as of 11/13/2025. 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



														Botto	m-up Cor	sensus	(IBES)		DWS	View		Normaliz	ed 2025			DWS Vi	ew (202	7-2023)		
												y/y	2014- 2024 CAGR	2025E	: y/y	2026E	y/y	2025E	y/y	2026E	y/y	(\$)	% of 2025	2027	2028	2029	2030	2030		2030
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%								ļ									
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	\$245.19	10.4%	7.7%	\$275	12.1%	\$311	13.3%	\$275	12.2%	\$305	10.9%	\$275	100%	\$335	\$368	\$404	\$445	10.1%	9.9%	9.9%
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%	259.7	21.0%	283.4	9.1%	265.5	23.7%	300.0	13.0%	267.3	101%	337.5	379.7	425.3	476.3	12.4%	12.2% 1	12.2%
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%	189.6	4.0%	212.2	11.9%	189.1	3.8%	205.0	8.4%	193.5	102%	221.3	239.1	258.2	278.8	8.1%	8.0%	8.0%
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%	136.4	0.1%	146.3	7.2%	137.9	1.2%	145.0	5.1%	136.9	99%	155.2	166.0	177.6	190.1	6.6%	7.0%	7.0%
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%	98.9	-10.3%	109.5	10.8%	98.5	-10.7%	107.5	9.1%	99.4	101%	114.0	120.8	128.0	135.7	6.6%	6.0%	6.0%
Financials	184.7	200.3	204.2	213.4	262.6	276.7	226.3	363.5	308.8	335.3	387.7	15.6%	7.7%	442.8	14.2%	484.1	9.3%	433.5	11.8%	460.0	6.1%	426.8	98%	492.2	524.2	558.3	594.6	6.5%	6.6%	6.5%
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%	286.2	13.0%	312.0	9.0%	286.0	12.9%	312.0	9.1%	280.8	98%	343.2	377.5	419.0	469.3	10.4%	10.7% 1	11.0%
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%	174.8	6.7%	200.7	14.8%	172.5	5.2%	190.0	10.2%	176.8	103%	209.0	229.9	251.7	274.4	9.7%	9.6%	9.5%
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%	567.8	23.6%	697.2	22.8%	567.5	23.5%	675.0	18.9%	567.5	100%	766.1	865.7	973.9	1095.7	14.1%	12.9% 1	12.7%
Materials	24.6	23.1	22.1	28.8	35.9	33.7	32.2	62.3	64.9	49.8	48.1	-3.4%	6.9%	47.9	-0.4%	57.2	19.4%	48.0	-0.2%	52.5	9.4%	46.7	97%	55.7	59.0	62.5	66.3	6.7%	6.0%	6.0%
Real Estate	22.0	23.7	27.5	31.0	34.8	36.3	36.2	43.1	50.4	52.7	55.9	6.1%	9.8%	56.7	1.3%	60.1	6.1%	55.7	-0.4%	58.0	4.0%	55.1	99%	61.4	65.1	69.0	73.2	5.6%	6.0%	6.0%
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%	65.3	4.5%	71.5	9.6%	67.5	8.0%	74.0	9.6%	74.5	110%	81.4	89.1	97.6	106.4	9.5%	9.5%	9.3%
S&P 500	971.3	974.1	982.7	1103.8	1322.5	1323	1211	1879	1863	1882	2074	10.2%	7.9%	2326	12.1%	2634	13.3%	2322	11.9%	2579	11.1%	2325.1	100%	2837	3116	3421	3761	10.1%	9.9%	9.9%
S&P ex. Energy (\$bn)	876.9	934.2	972.1	1067.0	1253.5	1275	1218	1803	1669	1744	1964	12.6%	8.4%	2227	13.4%	2525	13.4%	2223	13.2%	2471	11.2%	2225.8	100%	2723	2995	3293	3625	10.3%	10.1% 1	10.0%
S&P ex. Tech (\$bn)	808.5	805.1	809.0	897.0	1080.7	1085	941	1435	1493	1498	1615	7.8%	7.2%	1758	8.9%	1937	10.2%	1754	8.6%	1904	8.5%	1757.6	100%	2071	2250	2447	2665	8.7%	8.8%	8.8%
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	\$1,971	5.3%	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	275	63.00	67.00	72.00	73.00

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 11/13/2025. 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. 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	# of	2024	2025	Overweight	2024	2025	Equal weight	2024	2025	Underweight	2024	2025	Sector OW	12.01%
	Weight	Weight		Firms												Sector UW	-12.01%
Over-	13.4%	17.9%	Financials	72	19.3	17.3	Banks	15.9		Capital Markets	23.2		Consumer Finance	18.2	15.7	Industry OW	18.17%
weight	9.2%	40.50/	Health Care	62	21.1	10.0	Insurance Biotechnology	15.0 25.4	13.2 19.3	Financial Services	25.2	24.5	Health Care Providers & Services	14.4	16.6	Industry UW	-18.17%
	9.2%	13.5%	Health Care	62	21.1	19.0	Health Care Equipment & Supplies	28.1	25.5				Life Sciences Tools & Services	27.5	26.4	Beta	0.95
							Pharmaceuticals	19.9	18.0				Elic Colonicos Toolo d Cervicos	27.0	20.4	Tracking Error	200bp
	2.4%	4.3%	Utilities	31	21.2	19.6	Electric Utilities	21.2	19.8	Gas Utilities	25.2	22.9					
							Multi-Utilities	21.4	19.4		18.0	17.1				Macro tilts:	
							Entertainment	84.5	04.5	Water Utilities Wireless Telecommunication Service	25.3 22.9	23.0	Diversified Telecommunication Servi	40.4	10.5	Great 8	-0.71%
	10.0%	11.6%	Communication	19	27.6	22.3				Wireless Telecommunication Service	22.9	20.3		10.1		Tech + Communications	-0.01%
			Services				Interactive Media & Services	31.7	25.1				Media	8.1	8.0	Cyclicals (ex. Tech/Comm)	-2.86%
Under-	2.9%	2.6%	Energy	23	17.8	19.9	Energy Equipment & Services	12.6	14.6				Oil Gas & Consumable Fuels	18.3	20.4	Non-Cyclicals	2.83%
weight	1.8%	1.0%	Materials	29	21.6	21.6	6			Construction Materials	25.0	37.5	Chemicals	21.8	23.1	Value (Financial+Energy)	3.51%
										Metals & Mining	20.0	16.2	Containers & Packaging	21.3	21.0	Growth Industries	6.67%
	34.9%	33.7%	Information	68	41.9	34.0	IT Services	23.2	22.7	Communications Equipment	23.0	21.1	Semiconductors	54.8	38.4	Growth ex Health Care	2.53%
	04.570	55.1 76	Technology	00						Electronic Equipment	35.9	29.7	Software	38.2	32.1	Consumer	-6.45%
			. comiciogy										Sortware	30.2	32.1	Services/Experience	-0.90%
										Technology Hardware Storage & Pe	38.1	34.2				Disc. Goods/Retail	-1.25%
	1.9%	0.5%	Real Estate	31	17.8	17.9	1			Hotel & Resort REITs	8.9		Health Care REITs	21.7	20.2	Durable Goods	-2.47%
										Industrial REITs	22.9		Residential REITs	15.1	14.8	Staples Goods/Retail	-1.23%
										Office REITs	10.2		Specialized REITs	17.7	18.7	Commodity	-1.66%
										Real Estate Mgmt. & Development Retail REITs	41.5 12.8	35.6 13.0				Energy Ex. Services	-1.35%
	8.3%	6.9%	Industrials	76	28.3	26.9	Aerospace & Defense	59.1	37.5	Construction & Engineering	47.8		Building Products	25.7	25.1	Metals/Chemicals	-0.31%
	0.578	0.576	IIIuustiiais	70			Air Freight & Logistics	15.2	16.4	Passenger Airlines	12.0		Commercial Services & Supplies	33.2	30.5	Capex	2.58%
							Electrical Equipment	40.8	32.7	3.			Ground Transportation	20.7	24.2	Capacity additions	0.65%
													Industrial Conglomerates	21.6	20.6	Productivity	1.93%
													Machinery	22.9	25.5	Health Care	4.14%
													Professional Services	26.1	24.1	Medicine	3.20%
					_								Trading Companies & Distributors	21.4	23.0	Devices/Equip./Tools	1.85%
	4.8%	2.7%	Consumer Staples	38	23.4	23.1	Beverages	20.5	19.8	Personal Care Products	20.0		Consumer Staples Distribution & Ref	34.4	33.6	Insurers/Facilities	-0.91%
										Household Products	21.0	20.6	Food Products	13.8	15.7	Financials	4.27%
													Tobacco	18.1	16.4	Bond Substitutes	-1.78%
	10.4%	5.3%	Consumer	51	31.5	30.4	Automobile Components	12.5	11.0	Broadline Retail	41.0	32.5	Automobiles	48.9	63.0	Weak FX \$ plays	-0.12%
			Discretionary							Distributors	14.4	15.7	Hotels Restaurants & Leisure	27.0	24.3	High R&D plays	4.98%
			Automobiles		48.9	63.1	1			Leisure Products	19.6	17.0	Household Durables	11.4	14.5	Transports	-0.48%
			Broadline Retail		40.1	31.8				Textiles Apparel & Luxury Goods	19.4	23.3	Specialty Retail	23.2	24.1	Geopolitical risk	-0.18%
			CD ex Auto &		22.6	22.9	1									Weak oil prices	-2.08%
			Broadline Retail		22.6	22.8										Inflation shock	-1.32%
Aggregate	PE: DWS	View					Overweight	24.2	20.6	Equalweight	28.9		Underweight	29.1	27.3	Stagflation protection	2.69%
<u> </u>	S&P 500			500	-		ļ	_		2024 & 2025 EPS	245.00 245.19		2024 & 2025 PE	27.5	24.5	Trade sensitive	-1.39%
					<u> </u>		l .			Bottom-up Consensus EPS	245.19	214.95	Bottom-up Cons. PE 2024 & 2025 Ex Energy PE	27.5	24.5	Domestic GDP	2.25%
1													Btm-up Cons. Ex Energy PE	28.1	24.8	Global GDP	-2.93%

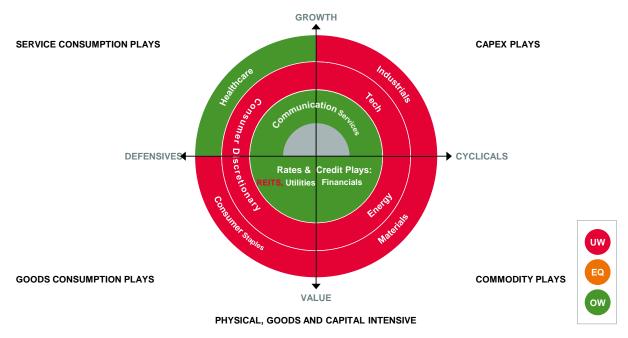
Great 8: AAPL, AMZN, GOOG/GOOGL, META, MSFT, NFLX, NVDA, TSLA

Source: Factset, DWS Investment GmbH as of 11/13/2025. Past performance is not a guarantee of future results. It is not possible to invest directly in an index. For illustrative purposes only. Allocations are subject to change. The mention of specific industries is not a recommendation to buy or sell any security or sector. 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 SECTOR STRATEGY: PER KEY MACRO PLAYS



DIGITAL, SERVICES AND HIGH R&D



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

Source: DWS Investment GmbH as of November 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. The sector views expressed are for informational purposes only and do not constitute investment advice or a recommendation to buy or sell any security or sector.

#### S&P 500 FAIR VALUE BY SECTOR



# Assuming a ~5.00% real cost of equity (CoE) for overall S&P 500

	Market	Current	2025E	Normal	Normal	GAAP/Non-	Accounting	Fully	Net Debt	FCF /	Real	Steady	Growth	2025 Start	2025E	2025 End	Fair PE on	2025 End	2025 End
	Value	2025 PE	Earnings	Ratio	2025E	GAAP EPS	Quality	Adjusted	/ Market	EPS	CoE	State	Premium		Dividend	Fair Value	Normal 2025	Upside	Upside vs.
	(\$bn)		(\$bn)		Earnings	5yr Avg	Adjustment	Earnings	Сар			Value		(\$bn)	Yield	(\$bn)	EPS	%	S&P 500
Communication Services	5,932	22.3	265.5	101%	267.3	83%	-5%	253.9	11%	0.69	4.95%	5,130	20%	6,156	0.8%	6,569	24.6	11%	15%
Consumer Discretionary	5,743	30.4	189.1	102%	193.5	89%	-6%	181.9	10%	0.61	5.00%	3,637	26%	4,597	0.7%	4,911	25.4	-14%	-11%
Automobiles	1,262	63.1	20.0	105%	21.0	77%	-10%	18.9	32%	0.14	6.00%	315	35%	425	0.2%	460	21.9	-64%	-60%
Broadline (Internet) Retail	2,165	31.8	68.0	105%	71.4	98%	-5%	67.8	0%	0.30	5.00%	1,357	50%	2,035	0.0%	2,187	30.6	1%	5%
ex. Auto & Broadline (Internet) Retail	2,315	22.9	101.1	100%	101.1	90%	-5%	95.1	13%	0.93	4.84%	1,966	9%	2,137	1.6%	2,260	22.4	-2%	1%
Consumer Staples	3,182	23.1	137.9	99%	136.9	83%	-5%	130.0	14%	0.87	4.75%	2,737	5%	2,874	2.3%	3,017	22.0	-5%	-1%
Energy	1,961	19.9	98.5	101%	99.4	97%	-5%	94.4	14%	0.80	5.50%	1,716	-15%	1,459	2.8%	1,534	15.4	-22%	-18%
Financials	7,489	17.3	433.5	98%	426.8	97%	-7%	395.6		1.09	5.50%	7,193	0%	7,193	1.4%	7,664	18.0	2%	6%
Banks	2,168	14.2	153.0	100%	153.0	96%	-7%	142.3		1.13	5.75%	2,475	-10%	2,227	2.3%	2,360	15.4	9%	13%
Health Care	5,659	19.8	286.0	98%	280.8	65%	-9%	255.5	10%	1.14	5.00%	5,111	10%	5,622	1.7%	5,950	21.2	5%	9%
Industrials	4,636	26.9	172.5	103%	176.8	84%	-5%	167.9	15%	0.96	5.00%	3,359	10%	3,695	1.3%	3,924	22.2	-15%	-12%
Information Technology	19,273	34.0	567.5	100%	567.5	89%	-2%	556.2	2%	0.92	4.80%	11,586	45%	16,800	0.5%	17,936	31.6	-7%	-3%
Materials	1,039	21.6	48.0	97%	46.7	79%	-7%	43.4	16%	0.73	5.20%	835	10%	919	1.8%	973	20.8	-6%	-3%
Real Estate	997	17.9	55.7	99%	55.1	78%	-13%	48.0	35%	0.83	4.90%	979	5%	1,028	3.6%	1,066	19.3	7%	11%
Utilities	1,324	19.6	67.5	110%	74.5	79%	-7%	69.2	79%	-0.65	5.00%	1,385	5%	1,454	2.7%	1,523	20.5	15%	19%
S&P 500 (\$ bn)	57,236	24.7	2321.7	100%	2325.1	84%	-5.6%	2196.0			5.00%	43,667	18.6%	51795	1.2%	55,067	23.7	-4%	0%
S&P 500 Index (\$/sh)	6737	24.5	275.0	100%	275.0	84%	-5.5%	260.0	10%	0.87	5.00%	5200	19.2%	6201	1.2%	6582	23.9	-2%	0%



Source: IBES, DWS Investment GmbH as of 11/13/2025. Past performance is not a guarantee 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	\$84.00	DWS 2025E S&P 500 aggregate ROE	25.0%	Fair long-term nominal return on S&P 500 index	7.50%
		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	\$275.00	DWS "normal 2025E" S&P 500 DPS	\$84.00	DWS "normal 2025E" S&P 500 aggregate ROE	23.6%	+ Long-term real risk free interest rate	1.75%
"Normal 2025E" EPS / 2025 EPS	100%	Normal dividend payout ratio	32%			+ Long-term fair S&P 500 equity risk premium*	3.25%
				S&P EPS retained for operating reinvestment	39%	= Long-term real S&P 500 cost of equity	5.00%
Accounting quality adjustment to pro forma EPS	-\$15.00	EPS directed to net share repurchases	\$74.00	Estimated ROE on reinvested S&P EPS	8.75%	+ Long-term inflation forecast	2.50%
		Normal share repurchase payout ratio	28%	Economic margin (EM) or ROE-CoE	1.25%	= S&P 500 nominal cost of equity	7.50%
Normal 2025E S&P 500 EPS fair to capitalize	\$260	Total payout of S&P 500 EPS	\$158.00	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	61%	+ Long-term inflation forecast	2.50%		
				+ Fair return on operating reinvestment	1.96%	Fair S&P 500 Market Value and Book Value Multiple	
S&P 500 EPS Capitalization Valuation		S&P 500 DPS Discount Model		+ Value added earnings growth on op. reinvestment	0.49%	2024E end S&P 500 book value per share	\$1,100
Normal EPS / (real CoE - (EM/payout) - EM):		Normal DPS / (nominal CoE - DPS growth):		= Long-term earnings growth	4.95%	Fair PB = Fair PE * normal aggregate ROE	5.64
S&P 500 intrinsic value at 2025 start	6201	S&P 500 intrinsic value at 2025 start	6201	+ Growth from net share repurchases	1.19%	Fair PE =(inc ROE-g)/(inc real ROE*(real CoE-real g))	22.55
S&P 500 intrinsic value at 2025 end	6582	S&P 500 intrinsic value at 2025 end	6582	= Long-term S&P 500 EPS/DPS growth	6.15%	Implied S&P 500 fair value of book at 2025 start	6201
Implied fair fwd PE in early 2025 on 2025E \$275 EPS	22.5	Implied fair forward yield on 2025E DPS of \$84.0	1.35%	+ Fair normal dividend yield	1.35%	Steady-state PB = normal agg. ROE / real CoE	4.73
Implied fair trailing PE at 2025 end on 2025E \$275 EPS	23.9	Implied fair trailing yield on 2025E DPS of \$84.0	1.28%	= Total long-term return at constant PE	7.50%	Confirmed by fair steady-state PE = 1 / real CoE	20.0
Normal EPS / real CoE	5200	DPS discount model using true DPS (all payout)	6582	Value added growth premium in fair value est.	19.2%	Normal 2025E economic profit per share	\$205

- 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

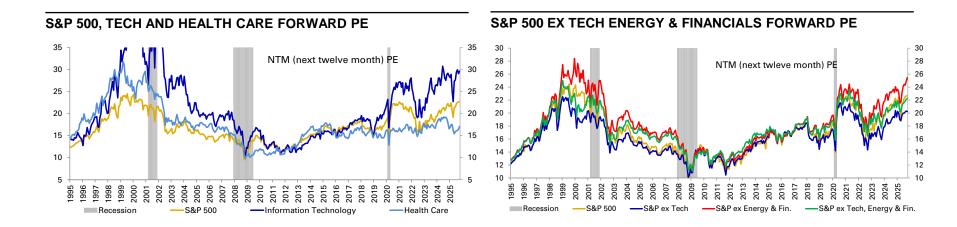
		2025E S&P 5	00 Normalized	I EPS	
S&P 500 Real CoE	\$265	\$270	\$275	\$280	\$285
4.50%	7007	7226	7449	7677	7910
4.75%	6582	6783	6988	7197	7410
5.00%	6207	6393	6582	6775	6971
5.25%	5873	6046	6221	6400	6583
5.50%	5574	5735	5899	6066	6236

Index	3 M relative View	Current Level	Previous Target CIO Day	Target Sep 26	Chg in Target	Expected Total Return Sep 26			thereof		Assumptions					
				(rounded)												chg of LTM target PE
S&P 500		6,473	6,100	6,800	11%	6.5%	USD	10.9%	-6%	1.5%	293	-0.6%	23.2x		33%	0.9x
Stoxx 600		554	570	575	1%	7.1%	EUR	5.0%	-1%	3.4%	37.2	-4.4%	15.5x	-33%	50%	0.4x
EuroStox x 50		5,387	5,600	5,650	1%	8.0%	EUR	4.2%	1%	3.1%	355	-3.3%	16.0x	-31%	47%	0.5x
DA X40		24,023	25,600	25,900	1%	7.8%	EUR	10.4%	-5%	2.8%	1535	-3.4%	16.4x	-29%	44%	0.1x
SMI		12,193	12,500	12,650	1%	6.9%	CHF	4.4%	-1%	3.2%	725	-3.1%	17.5x	-25%	53%	0.4x
FTSE 100		9,249	8,800	9,500	8%	6.2%	GBP	5.7%	-3%	3.5%		-4.0%	13.8x	-40%	47%	0.9x
M SCI EM		1,267	1,220	1,320	8%	7.0%	USD	9.7%	-5%	2.9%	92.1	-4.7%	14.4x	-38%	39%	0.3x
M SCI AC Asia xJ		830	790	865	9%	6.8%	USD	9.0%	-4%	2.6%	56.3	-3.8%	15.4x	-34%	38%	0.8x
M SCI Japan		1,865	1,720	1,919	12%	5.2%	YEN	4.3%	-1%	2.3%	115.1	-4.2%	16.7x	-28%	37%	1.8x

Source: DWS Investment Management GmbH as of November 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 forwardlooking statements or to any other financial information contained herein. The valuation models presented are for illustrative purposes only and do not represent a guarantee of future performance or outcomes. For institutional use and registered representative use only. Not for public viewing or distribution. / 20

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



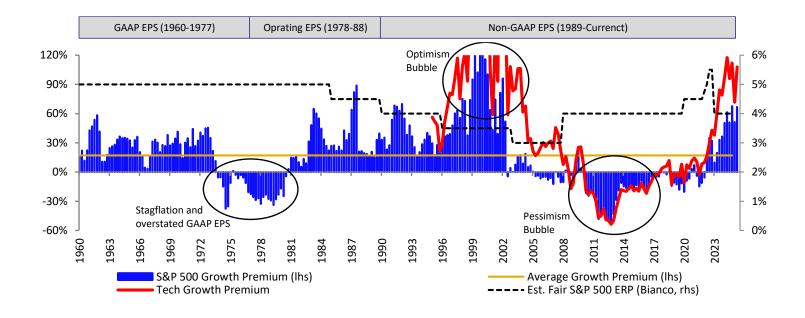


Note: NTM – next twelve month. Forward PE is the price dividend by consensus next twelve-month EPS.

Source: Factset, DWS Investment GmbH as of 10/31/2025. 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



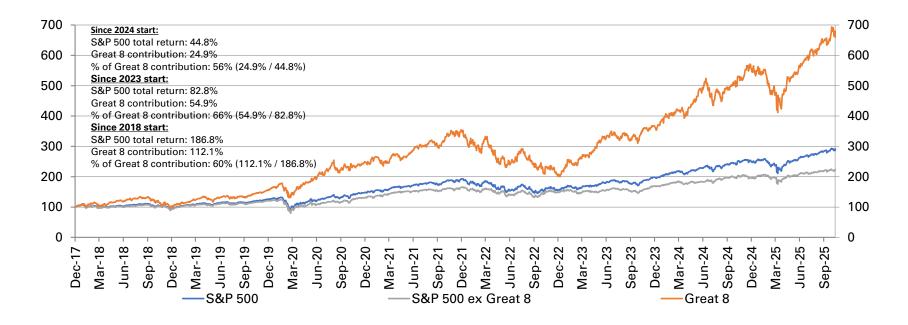


Note: Ihs – left hand side; rhs – right hand side. ERP – equity risk premium.

Source: IBES, Haver, DWS Investment GmbH as of 3Q2025. 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



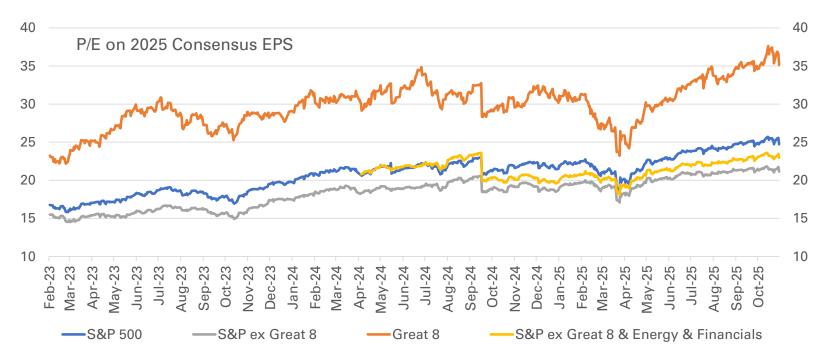


Great 8: AAPL, AMZN, GOOG/GOOGL, META, MSFT, NFLX, NVDA, TSLA

Source: IBES, Factset, DWS Investment GmbH as of 11/13/2025. Past performance is not a guarantee 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.

#### IMPORTANT INFORMATION



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War, terrorism, sanctions, economic uncertainty, trade disputes, public health crises and related geopolitical events have led, and, in the future, may lead to significant disruptions in US and world economies and markets, which may lead to increased market volatility and may have significant adverse effects on investments.

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.

Forecasts are not a reliable indicator of future returns. Forecasts are based on assumptions, estimates, views and hypothetical models or analyses, which might prove inaccurate or incorrect.

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All investments involve risks, including potential loss of principal.

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