

AI & Critical Technologies

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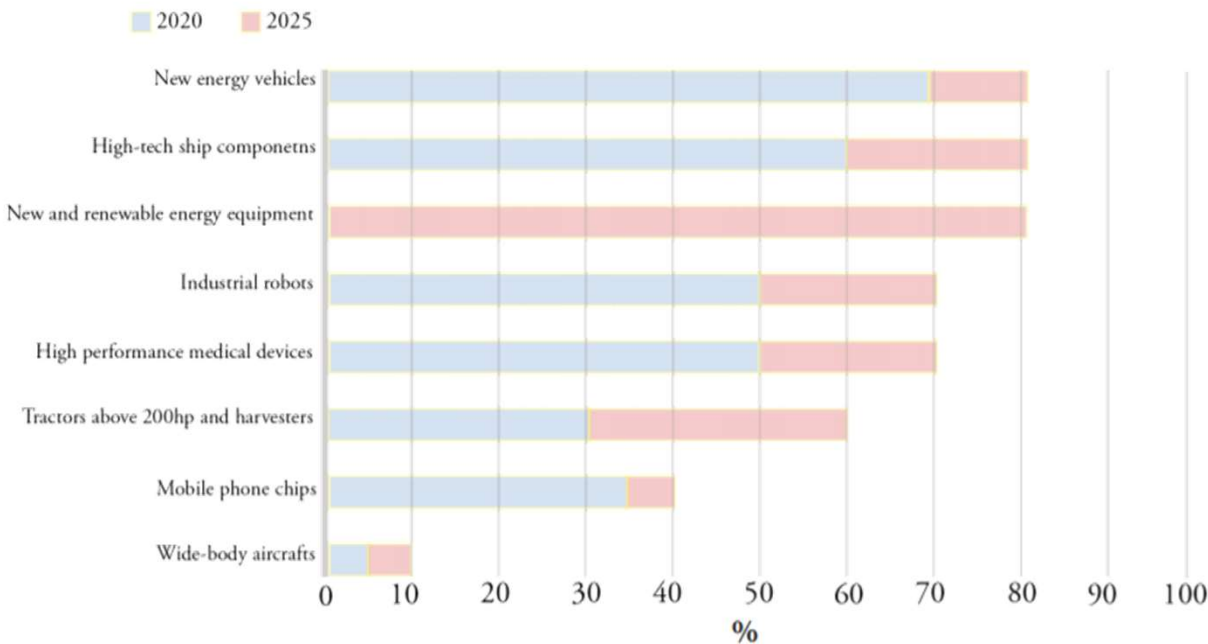
MADE IN CHINA 2025

Chinese Perspective

SOLACTIVE
German Index Engineering

J.H. WHITNEY
DATA SERVICES

MIC 2025 – Industry Targets for Chinese Market Share



MIC 2025 – The Four Advantages



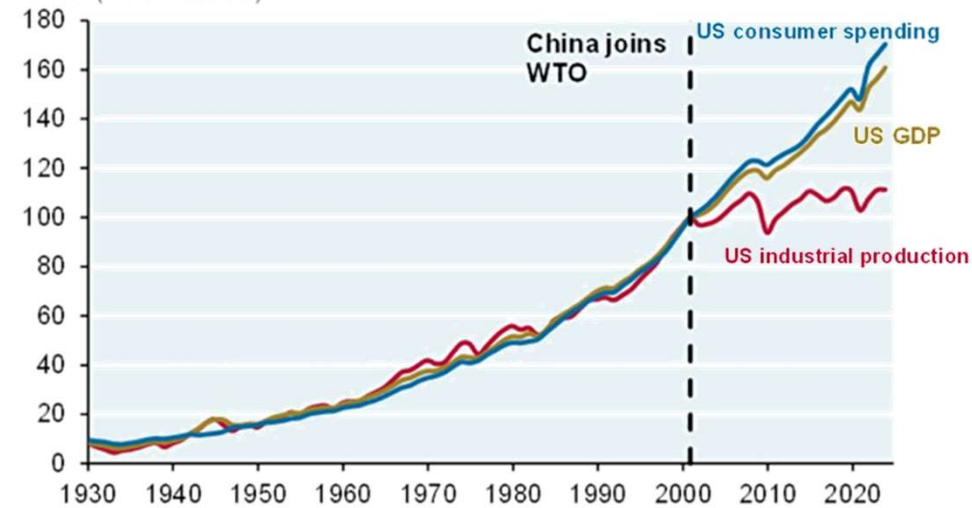
The Ten Key Sectors



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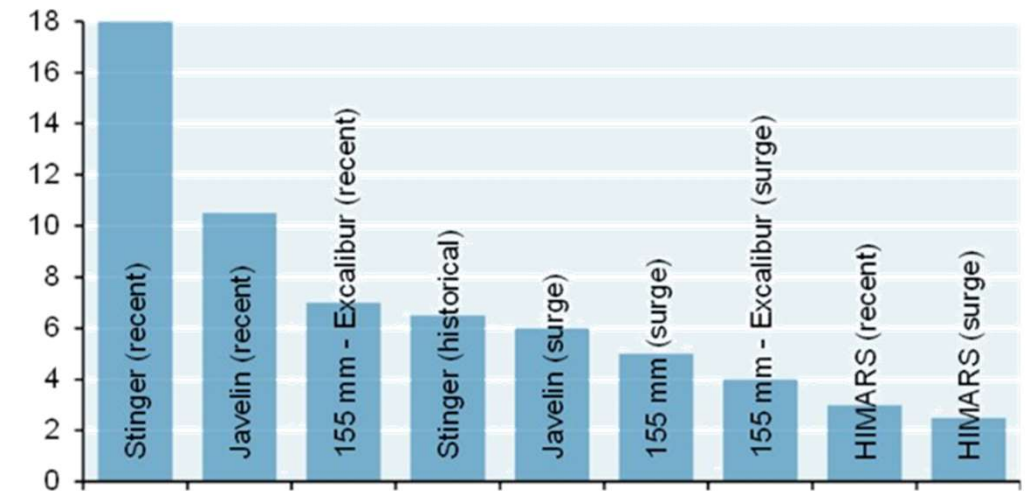
The Silence of the Plants

Index (100 = 2000)



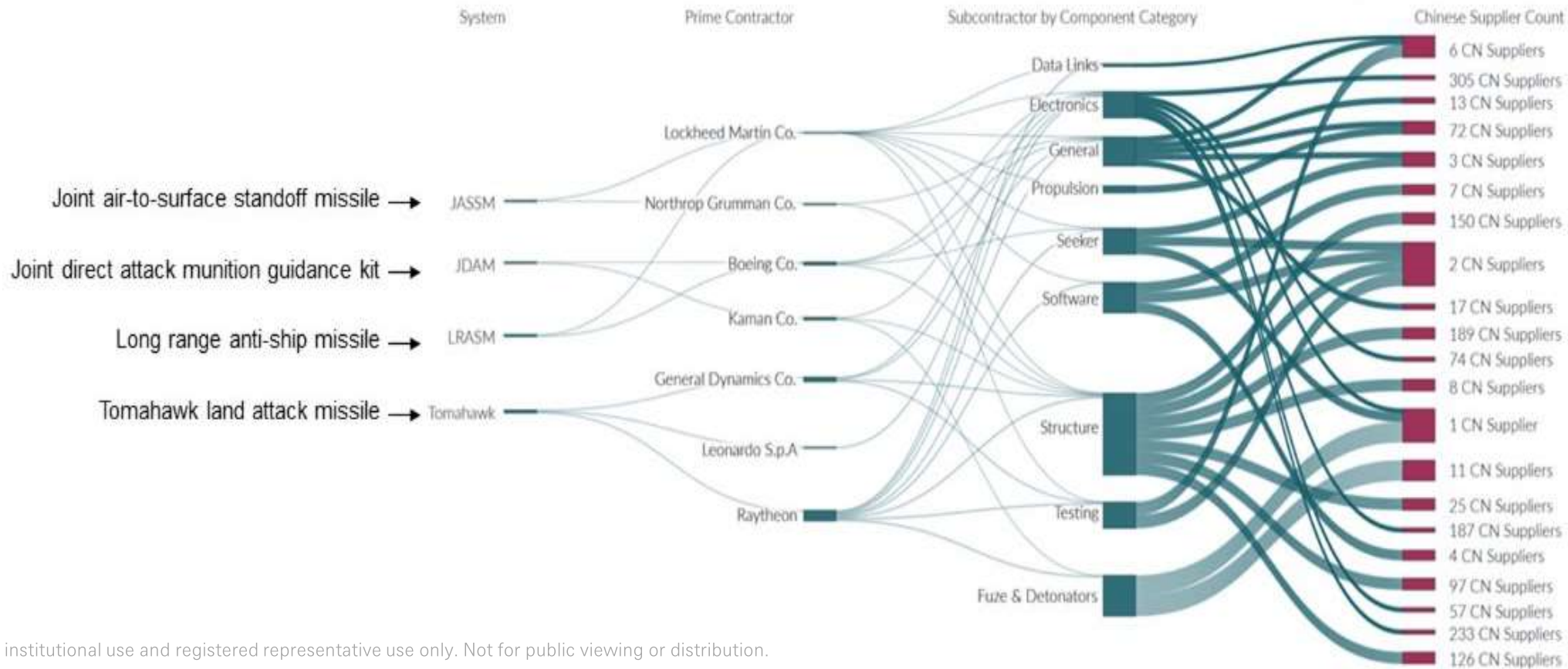
Source: BEA, Federal Reserve, JPMAM, 2024

Years required to replenish US ammunition stockpiles transferred to Ukraine



Source: "Rebuilding US Inventories: Six Critical Systems", Cancian (CSIS), January 2023

CHINESE SUPPLIERS IN U.S. AIR-LAUNCHED ARMAMENT SUPPLY CHAINS, 2023



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1. "Numbers matter: defense acquisition", Govini, 2024

Techno Economic Competition

Trade & Production

Trending: ↓



US trade balance of goods
Percent of US nominal GDP



Source: Bloomberg, Census Bureau, JPMAM, December 31, 2024

Technology

Trending: →



U.S. LEADING

Internet Platforms
Synthetic Biology
Biopharmaceuticals
Fusion Energy
Quantum Computing

AI

Next Gen Networks
Semiconductors
Advanced Manufacturing

CHINA LEADING

Advanced Batteries
5G
Commercial Drones

Capital

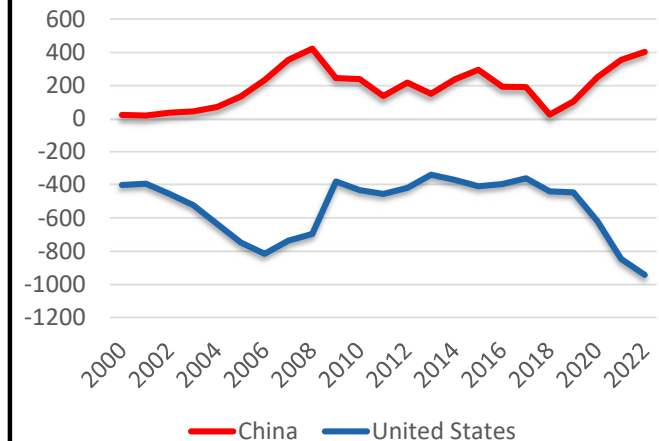
Trending: ↓



China is the second largest recipient of foreign direct investments, attracting 181 billion USD.

Its total current account surplus increased by 49.4 billion USD in 2022 compared the US deficit, which increased by 97.4 billion USD.

Current Accounts in Billions USD



APPLICATION OF GEOSTRATEGIC RISK RATINGS TO INDEX CONSTRUCTION

U.S. Critical Technologies



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RDT&E PROGRAMS (R-1)



*Department of Defense Budget
Fiscal Year 2025*

*March 2024
Office of the Under Secretary of Defense (Comptroller)*

Appropriation (in \$ thousands)	FY 2023 Actuals	FY 2024 PB request with CR adjustments	FY 2025 Request
Research, Development, Test and Evaluation, Army	17,098,984	17,142,121	14,073,308
Research, Development, Test and Evaluation, Navy	26,156,754	26,003,697	25,697,815
Research, Development, Test and Evaluation, Air Force	45,014,265	44,913,984	49,108,771
Research, Development, Test, and Evaluation, Space Force	16,996,236	16,615,963	18,700,153
Research, Development, Test and Evaluation, Defense-Wide	35,180,595	34,536,374	35,227,834
Operational Test and Evaluation, Defense	446,122	446,122	348,709
Total Research, Development, Test, & Evaluation	140,892,95	139,658,261	143,156,590

Technology is Primary Area of Strategic Competition

The U.S. Department of Defense defines 14 technologies as dual-use, disruptive, emerging, or “critical”¹ to national and economic security.

Emerging Opportunity Areas

	Advanced Materials
	Biotechnology
	Quantum Science
	Future Generation Wireless Technology

Effective Adoption Areas

	Human-Machine Interfaces		Space Technology
	Trusted AI		Advanced Computing & Software
	Microelectronics		Renewable Energy & Storage
	Integrated Networks		

Defense Specific Areas

	Hypersonics
	Cyber
	Directed Energy

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1. Office of Secretary of Defense Research & Engineering <https://www.cto.mil/modernization-priorities/> Future of Warfare excludes Biotechnology and Energy

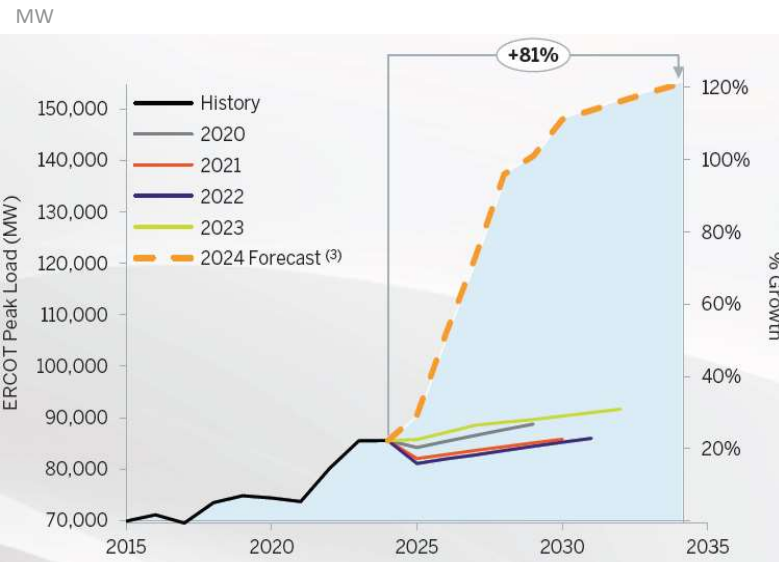


Unprecedented power demand growth projected for the U.S.

Utility sector will be forced to adapt

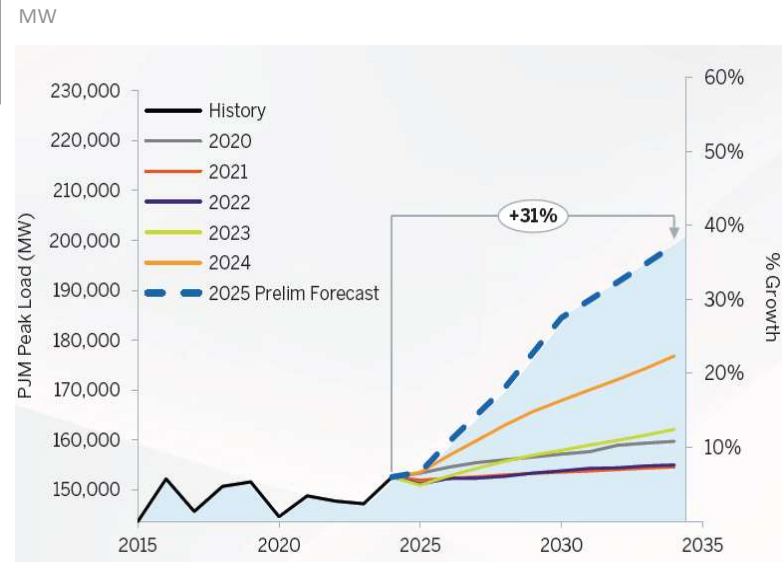


ERCOT peak load growth projection ¹



ERCOT forecasts peak load growth of over 80% between 2024 and 2034

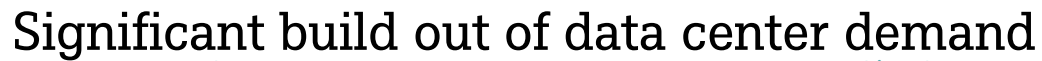
PJM peak demand forecasts keep growing ²



PJM forecasts peak load growth of over 30% between 2024 and 2034

Source: Electric Reliability Council of Texas (ERCOT), Pennsylvania-New Jersey-Maryland Interconnection (PJM), Constellation Energy, DWS. As of 1/10/25.

(1) Source: ERCOT. <https://www.ercot.com/gridinfo/load/forecast>. (2) Source: PJM 2025 Load Forecast (Preliminary Accepted Requests). As of 11/2024. <https://www.pjm.com/planning/resource-adequacy-planning/load-forecast-dev-process>. (3) 2024 forecast uses a different methodology and now requires ERCOT to include all large loads in their forecast regardless of status due to HB 5066.

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AI & Critical Technologies



Key Takeaways

1. **AI is impacting everything and everyone so it's important to consider where to find the investment opportunities**
2. **US will be investing in critical technologies for the foreseeable future**
3. **And all of this wouldn't be possible without proper infrastructure**

Actionable Ideas	Product
DWS Science and Technology Fund	KTCIX
Xtrackers US National Critical Technologies ETF	CRTC
Xtrackers Artificial Intelligence and Big Data ETF	XAIX
DWS RREEF Global Infrastructure Fund	TOLIX

Important Information



Investment products: No bank guarantee | Not FDIC Insured | May lose value

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 U.S. and world economies and markets, which may lead to increased market volatility and may have significant adverse effects.

The opinions and forecasts expressed are those of the speakers and may not come to pass.

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All investments involve risks, including the potential loss of principal.

Risk considerations

Investments in mutual funds involve risk. Stocks may decline in value. Bond investments are subject to interest-rate, credit, liquidity and market risks to varying degrees. Credit risk refers to the ability of an issuer to make timely payments of principal and interest. Investing in derivatives entails special risks relating to liquidity, leverage and credit that may reduce returns and/or increase volatility. Investing in foreign securities, particularly those of emerging markets, presents certain risks, such as currency fluctuations, political and economic changes, and market risks. There are additional risks associated with investing in commodities, high-yield bonds, aggressive growth stocks, non-diversified/concentrated funds and small- and mid-cap stocks which are more fully explained in the prospectuses. Please read the prospectus for more information.

Obtain a prospectus

Carefully consider the fund's investment objectives, risk factors, charges and expenses before investing. This and other information can be found in the fund's prospectus. To obtain a mutual fund summary prospectus, if available, or prospectus, call (800) 728-3337 or download one here. To obtain an ETF prospectus call (844) 851-4255 or download one here. To obtain the RREEF Property Trust prospectus, download one here. Read the prospectus carefully before investing.

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