

DEVELOPED MARKET EQUITIES SMALL CAP ASSESMENT FRAMEWORK MONTHLY UPDATE

April 2024



Small Cap Assessment Framework

Introduction

Academics and practitioners have widely studied the so-called "small-cap premium". Independent of its long term success, it is widely accepted that the size premium varies significantly over time. This "Small Cap Assessment Framework" aims to provide detailed information on a wide range of factors to help in assessing the opportunity of investing into Small Caps, with a cross-regional approach. The entire range of information is split into multiple categories: macro-economic indicators, economic surveys, valuations, momentum, and sentiment indicators.

Summary

Current Indicator Summary

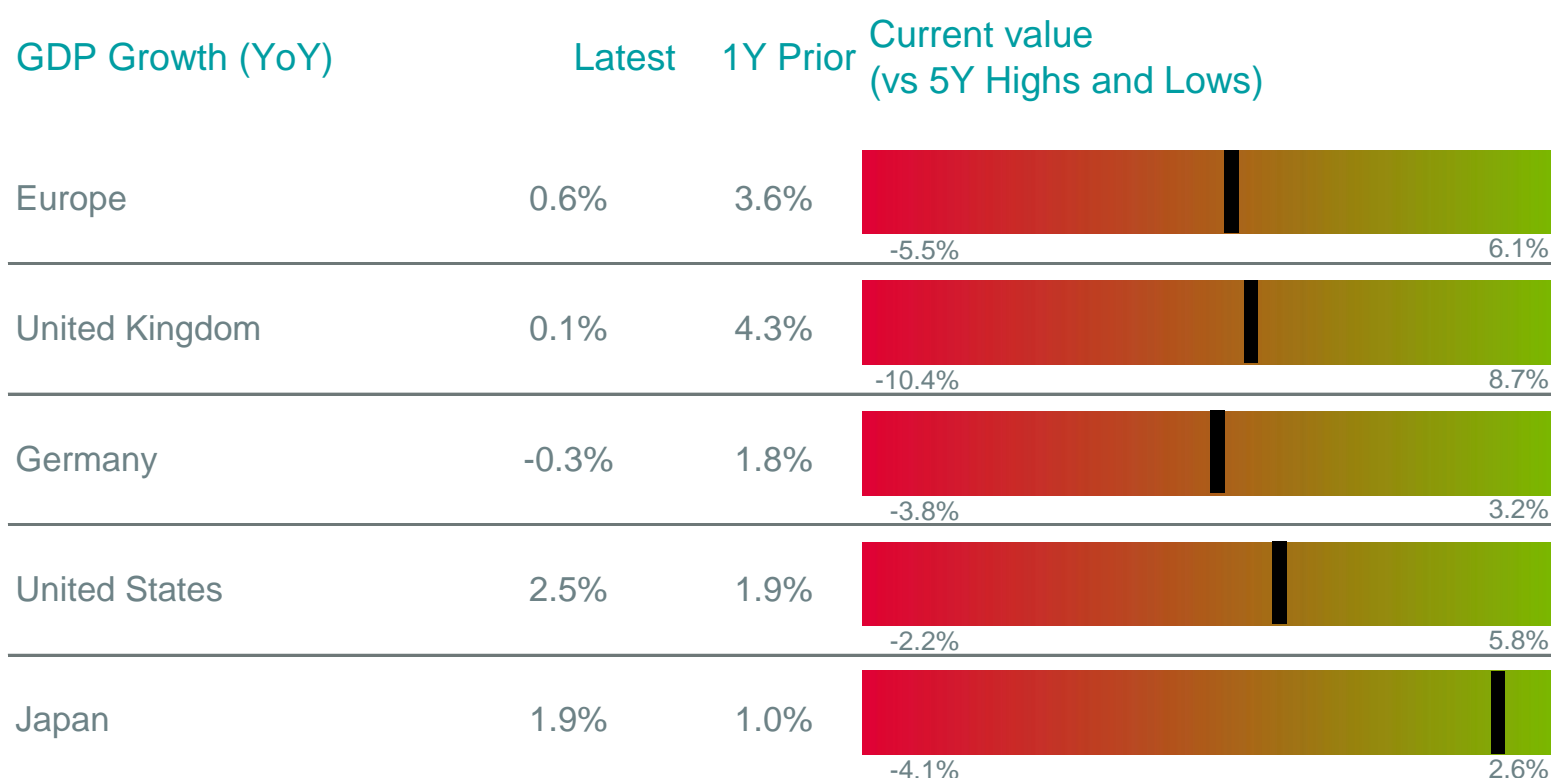
| Index Name | GDP Growth | Macroeco Leading Indicator | Valuation | Relative Valuation | Momentum | Sentiment | Return | | 5Y Risk ¹ | |
|--|------------|----------------------------|-----------|--------------------|----------|-----------|--------|-------|----------------------|---------|
| | | | | | | | 1Y | 5Y | Volatility | Max. DD |
| Europe Small Cap STOXX Europe Small | ● | ● | ● | ● | ● | ● | 7.0% | 4.3% | 19.6% | -38.3% |
| Europe Large Cap STOXX Europe 50 | | | | | | | 11.7% | 9.5% | 17.0% | -32.4% |
| UK Small Cap FTSE Small Cap | ● | ● | ● | ● | ● | ● | 8.5% | 6.0% | 15.2% | -39.8% |
| UK Large Cap FTSE 100 | | | | | | | 7.7% | 5.8% | 17.5% | -34.2% |
| Germany Small Cap Mid DAX | ● | ● | ● | ● | ● | ● | -5.7% | 0.2% | 20.8% | -39.9% |
| Germany Large Cap DAX | | | | | | | 12.6% | 7.8% | 21.0% | -38.8% |
| US Small Cap Russell 2000 | ● | ● | ● | ● | ● | ● | 12.8% | 5.4% | 27.6% | -41.8% |
| US Large Cap Russell 1000 | | | | | | | 22.3% | 12.3% | 21.6% | -34.6% |
| Japan Small Cap Topix Small Cap | ● | ● | ● | ● | ● | ● | 22.9% | 8.4% | 17.4% | -33.8% |
| Japan Large Cap Topix 100 | | | | | | | 39.0% | 12.9% | 17.3% | -27.6% |

Unfavourable ●
Favourable ●

Macro Economy

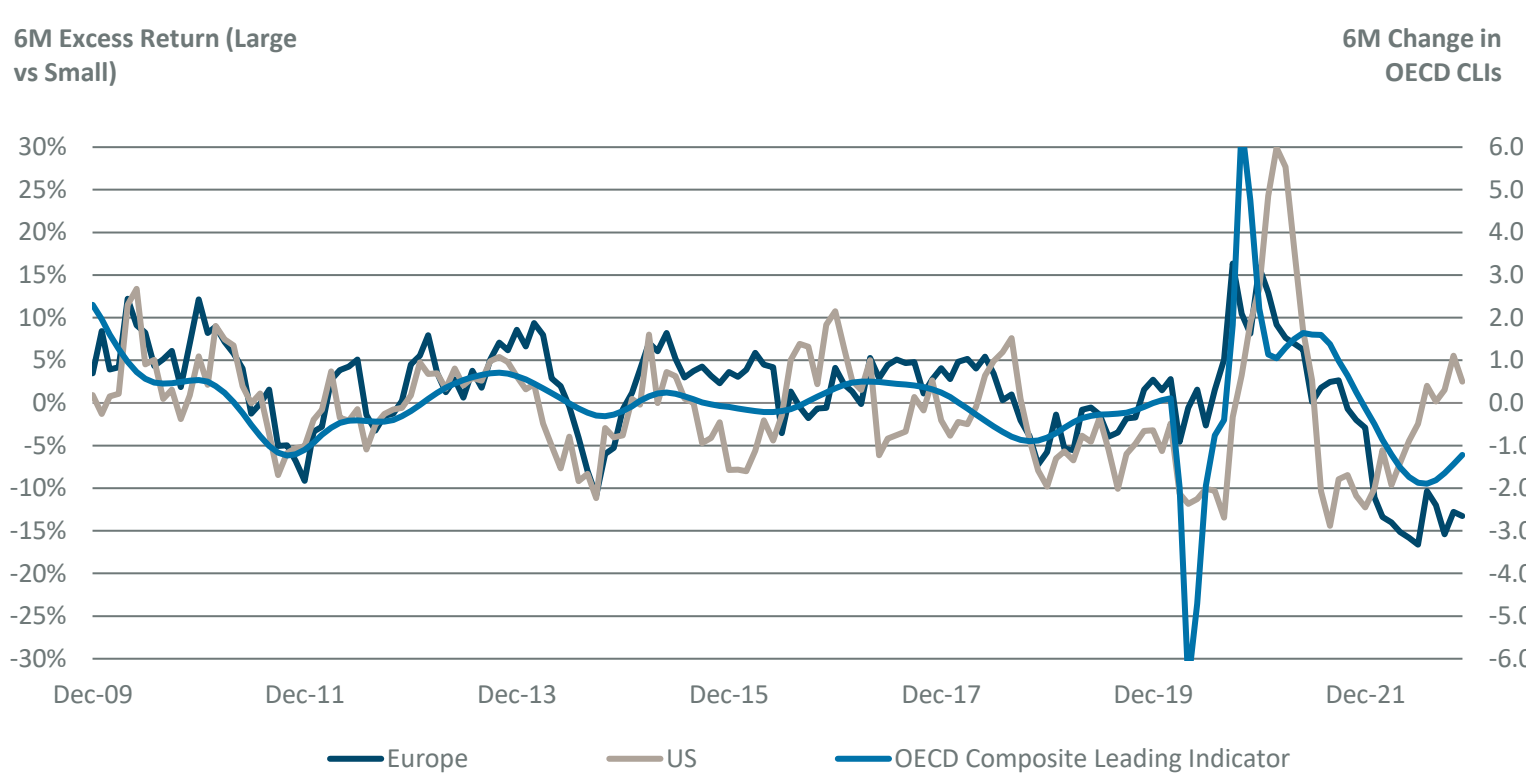
GDP Growth

Historically, the excess return of small cap versus large caps has exhibited strong correlation with GDP Growth. This cyclicality of the small cap equities's performance has been observed across business cycles.



Macroeconomic Leading Indicators²

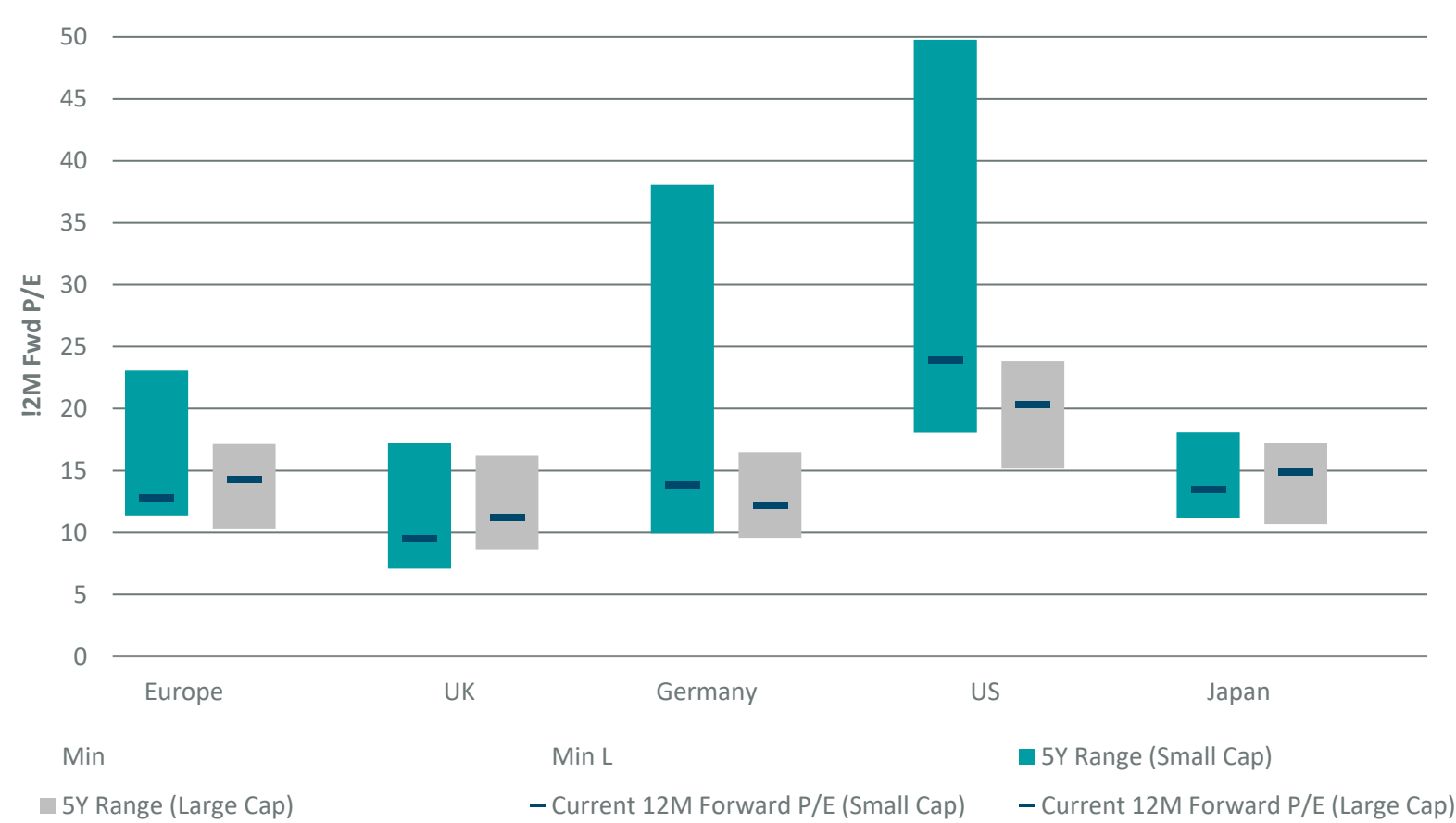
OECD Composite Leading Indicators have been designed to give early signs of turning points in the economic activity. As such, they exhibit some explanatory predictive power for GDP.



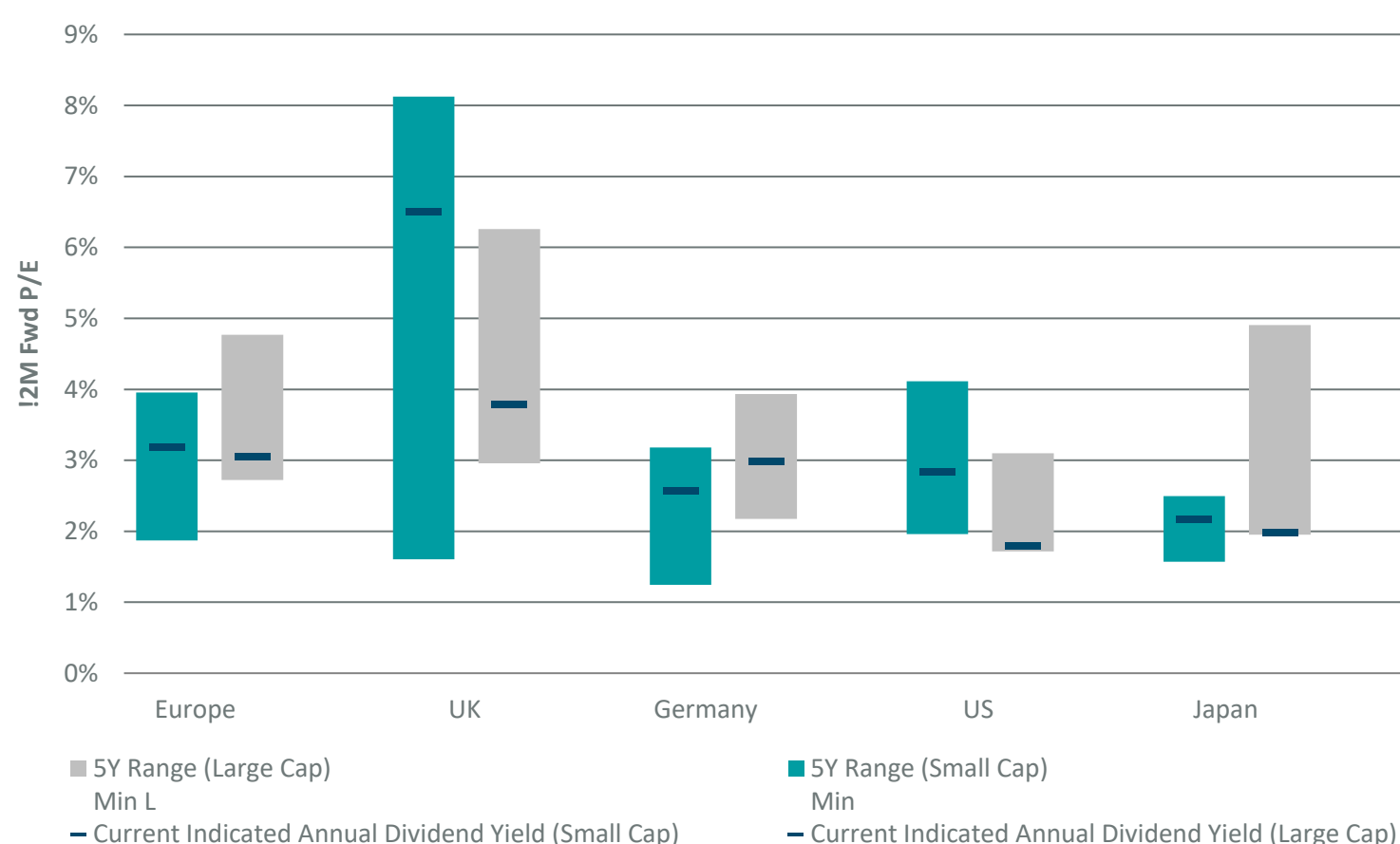
* As of Nov 2022

Valuations (Relative to Historical Averages)

12M Forward P/E (Consensus)

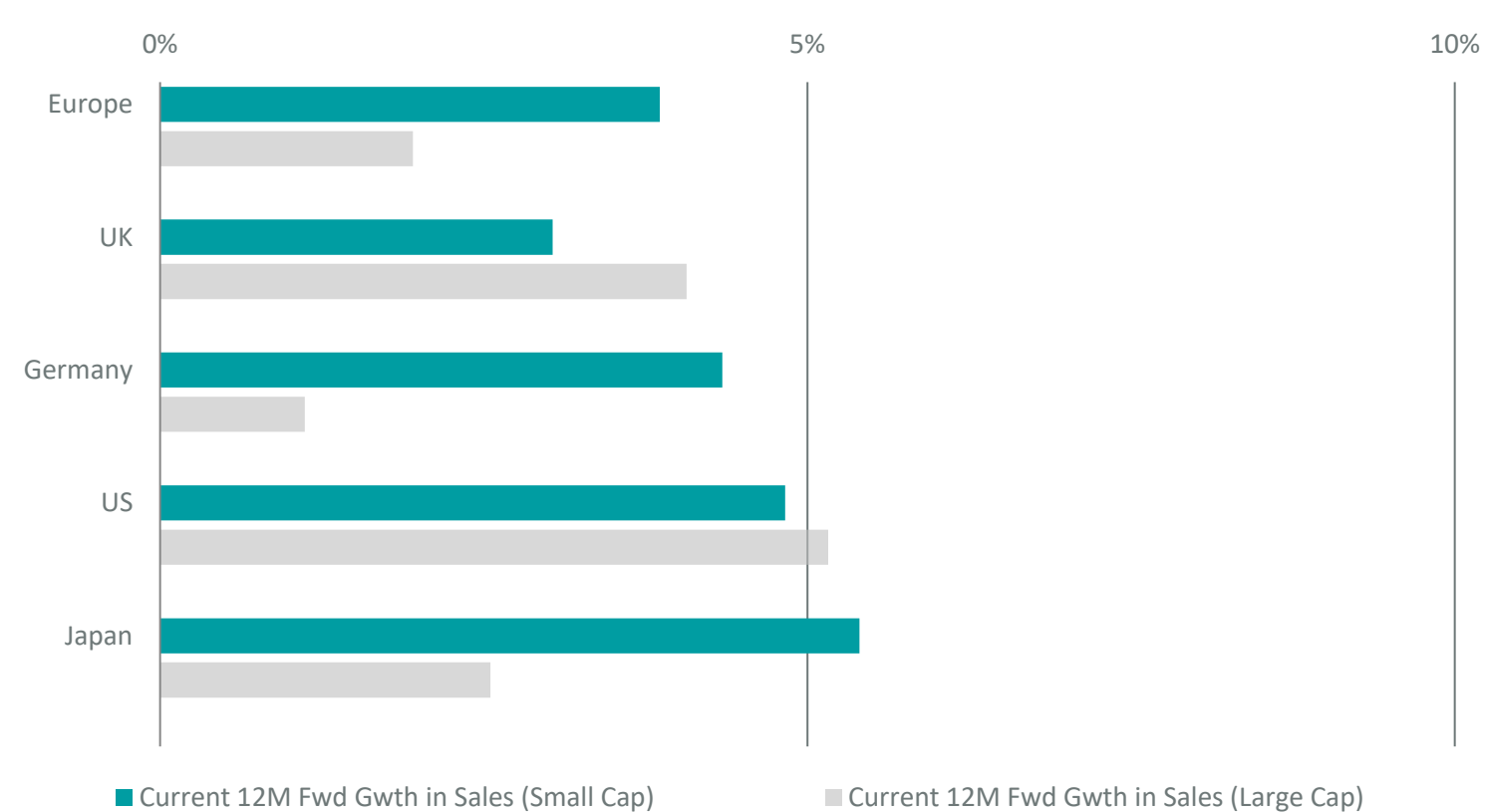


Indicated Annual Dividend Yield

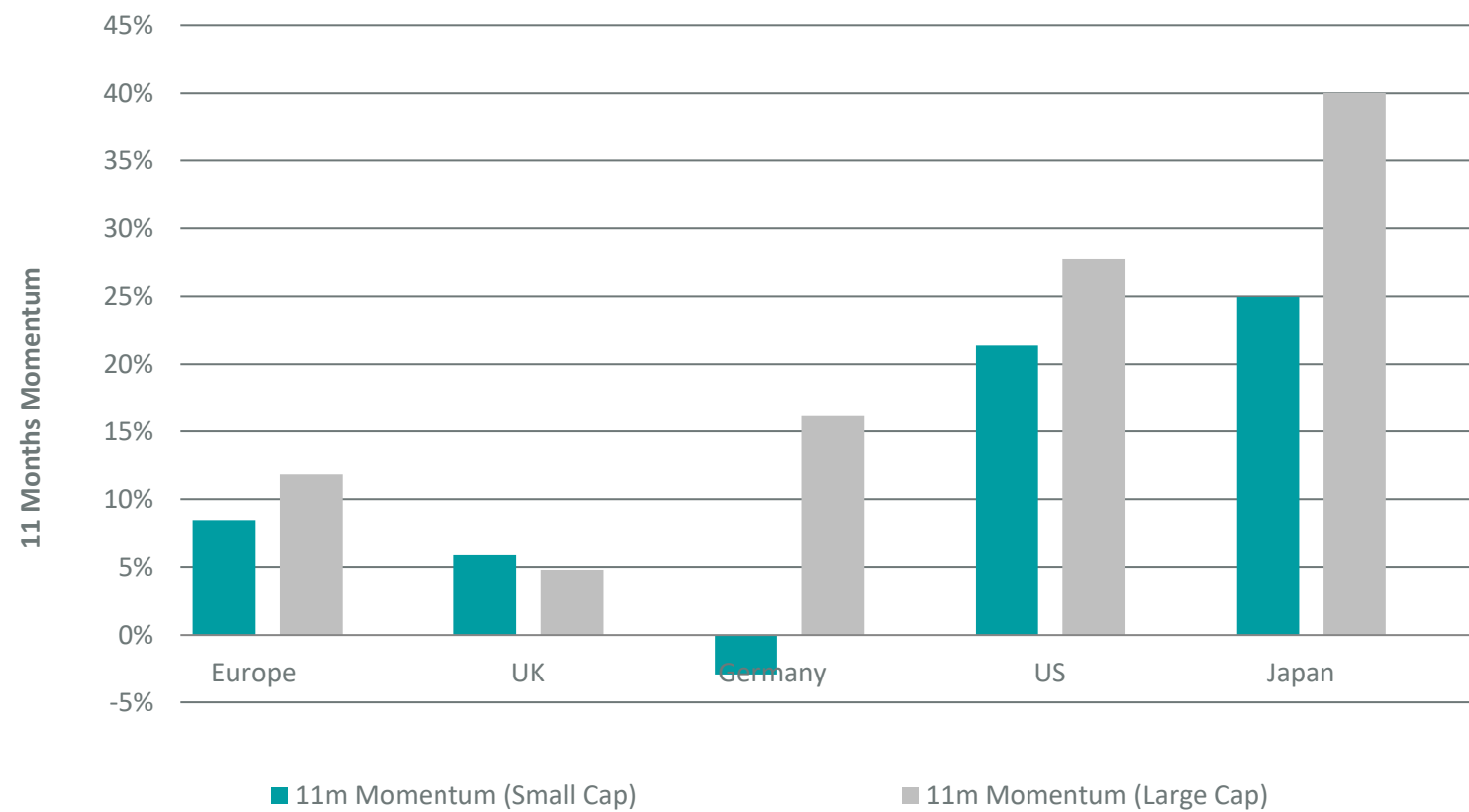


Fundamental (Relative to Historical Averages)

12M Forward Growth in Sales (Consensus)



11 Month Momentum³



Source Bloomberg LP, Thomson Reuters Datastream, DWS Calculations. As of 30 Apr 2024

1. Risk measures (Volatility, Drawdown, Beta) are calculated over the last five years period using daily frequency observations.

2. Except GDP, "Change" refers to the data change of the observed metric since last month's observation. For GDP, change refers to the change since last year's observation.

3. 11M Momentum is defined as the 11M performance of the index calculated as of 1 month ago (often referred in the literature as "1M removed").

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STOXX Europe 200 Small

Introduction

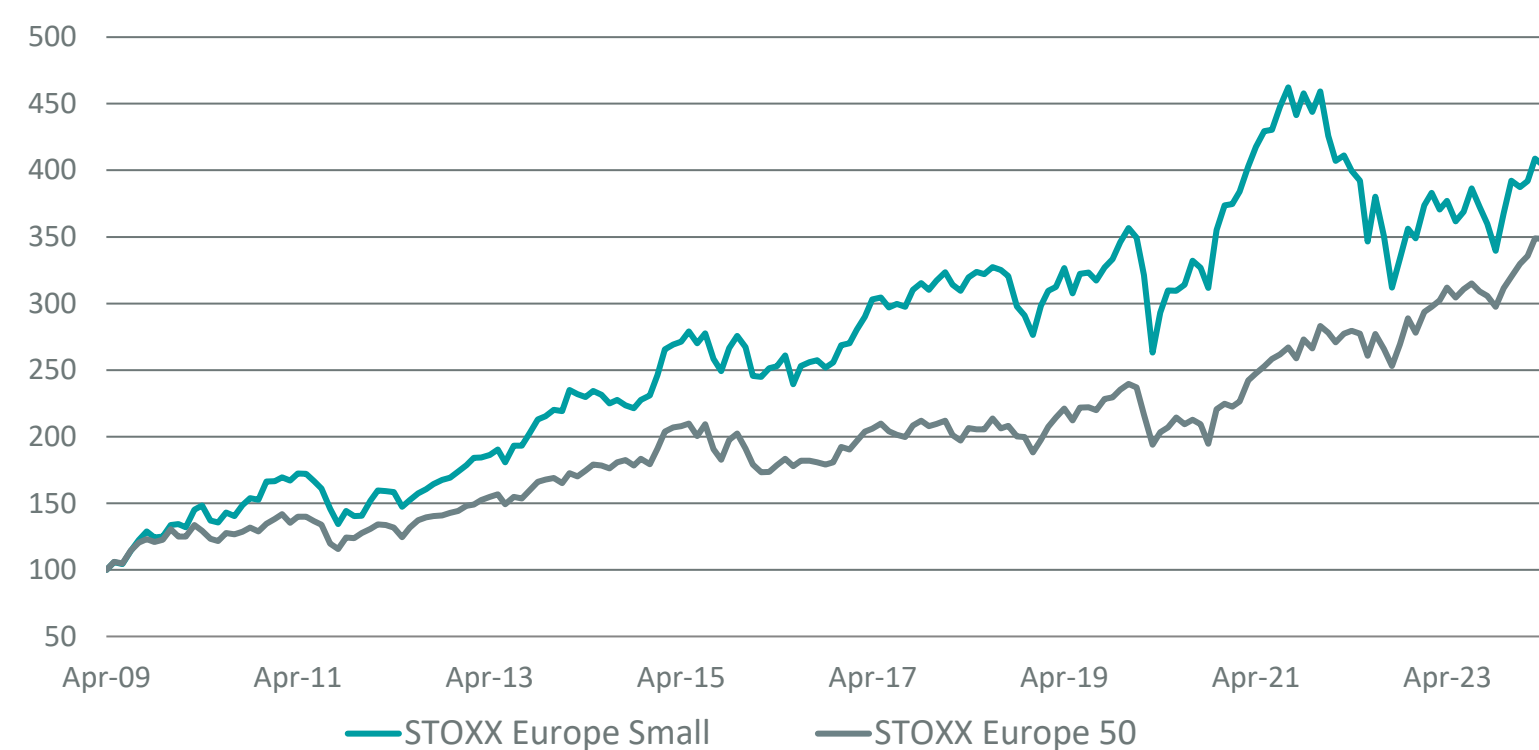
The STOXX Europe Small 200 Index is a fixed component index designed to provide a representation of small capitalisation companies in Europe. The index is derived from the STOXX Europe 600 Index

Summary

Current Indicator Summary



Historical Performance



Risk and Return

| | STOXX Eur. Small | STOXX Europe 50 |
|----------------------|------------------|-----------------|
| Return | | |
| Last 1M | -1.3% | -0.2% |
| Last 6M | 18.8% | 17.1% |
| Last 1Y | 7.0% | 11.7% |
| Last 5Y | 4.3% | 9.5% |
| 5Y Risk ¹ | | |
| Vol. | 19.6% | 17.0% |
| Max DD | -38.3% | -32.4% |
| Beta | 102% | - |
| Tracking Error | 9.3% | - |

Sector Snapshot

| Top Ten Constituents Weights* | |
|-------------------------------|------|
| SPIE FP | 0.9% |
| EVD GY | 0.8% |
| BPE IM | 0.8% |
| BKT SQ | 0.8% |
| LMP LN | 0.8% |
| ALE PW | 0.8% |
| KGH PW | 0.8% |
| VTY LN | 0.7% |
| AAK SS | 0.7% |
| DIE BB | 0.7% |

Valuations (Relative to Historical Averages)

| Factor | Current | Change ² | Current value (vs 5Y Highs and Lows) ⁵ |
|----------------------------------|---------|---------------------|---|
| 12M Forward P/E (Consensus) | 12.8 | 0.4 | 11.4 - 23.1 |
| 12M Forward P/B (Consensus) | 1.4 | 0.1 | 1.2 - 2.1 |
| 12M Forward P/CF (Consensus) | 7.5 | 0.6 | 6.5 - 13.3 |
| 12M Forward P/EBITDA (Consensus) | 5.6 | 0.3 | 4.8 - 9.9 |
| Indicated Dividend Yield | 3.2% | 0.0% | 1.9% - 4.0% |

Valuations (Relative to STOXX Europe 50)

| Factor | STOXX Eur. Small | STOXX Europe 50 | Difference | Historical Median |
|----------------------------------|------------------|-----------------|------------|-------------------|
| 12M Forward P/E (Consensus) | 12.8 | 14.3 | -1.5 | 2.0 |
| 12M Forward P/B (Consensus) | 1.4 | 2.3 | -0.9 | -0.4 |
| 12M Forward P/CF (Consensus) | 7.5 | 9.8 | -2.4 | -0.2 |
| 12M Forward P/EBITDA (Consensus) | 5.6 | 8.1 | -2.5 | -0.3 |
| Indicated Dividend Yield | 3.2% | 3.1% | 0.1% | -0.8% |

Fundamental (Relative to Historical Averages)

| Factor | Current | Change ² | Current value (vs 5Y Highs and Lows) ⁵ |
|----------------------------------|---------|---------------------|---|
| 12M Fwd Growth EPS (Consensus) | 12.0% | -1.1% | -9.6% - 172.0% |
| 12M Fwd Growth Sales (Consensus) | 3.9% | 0.3% | -0.6% - 10.0% |
| 12M Fwd Growth CPS (Consensus) | 2.5% | -4.0% | -9.8% - 62.2% |
| 12M Fwd Growth BPS (Consensus) | 1.7% | -3.3% | 0.3% - 6.7% |

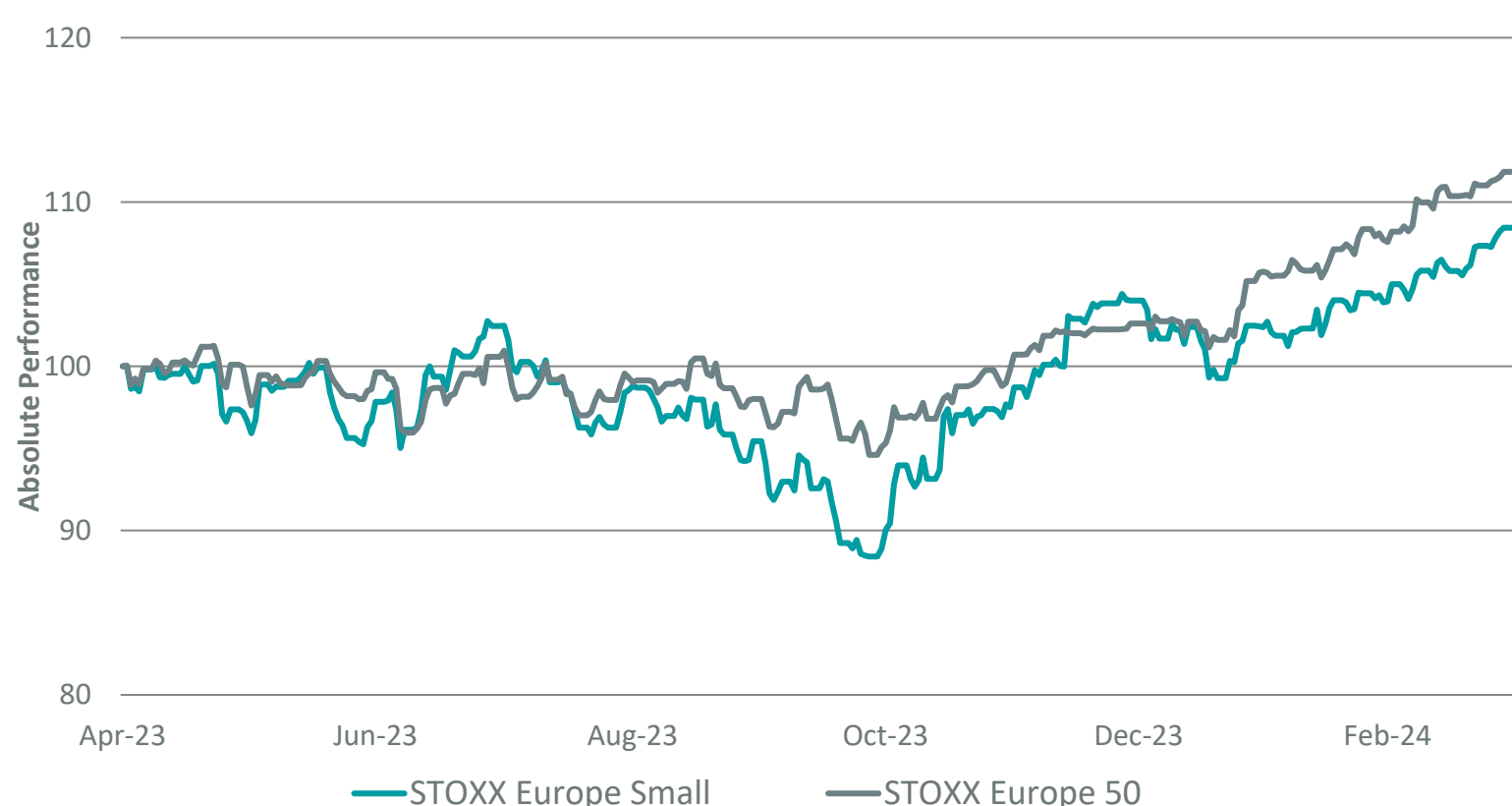
Fundamental (Relative to STOXX Europe 50)

| Factor | STOXX Eur. Small | STOXX Europe 50 | Difference | Historical Median |
|----------------------------------|------------------|-----------------|------------|-------------------|
| 12M Fwd Growth EPS (Consensus) | 12.0% | 6.8% | 5.2% | 10.1% |
| 12M Fwd Growth Sales (Consensus) | 3.9% | 2.0% | 1.9% | 1.8% |
| 12M Fwd Growth CPS (Consensus) | 2.5% | 9.4% | -7.0% | 5.8% |
| 12M Fwd Growth BPS (Consensus) | 1.7% | 5.7% | -4.0% | -0.7% |

11 Month Momentum³

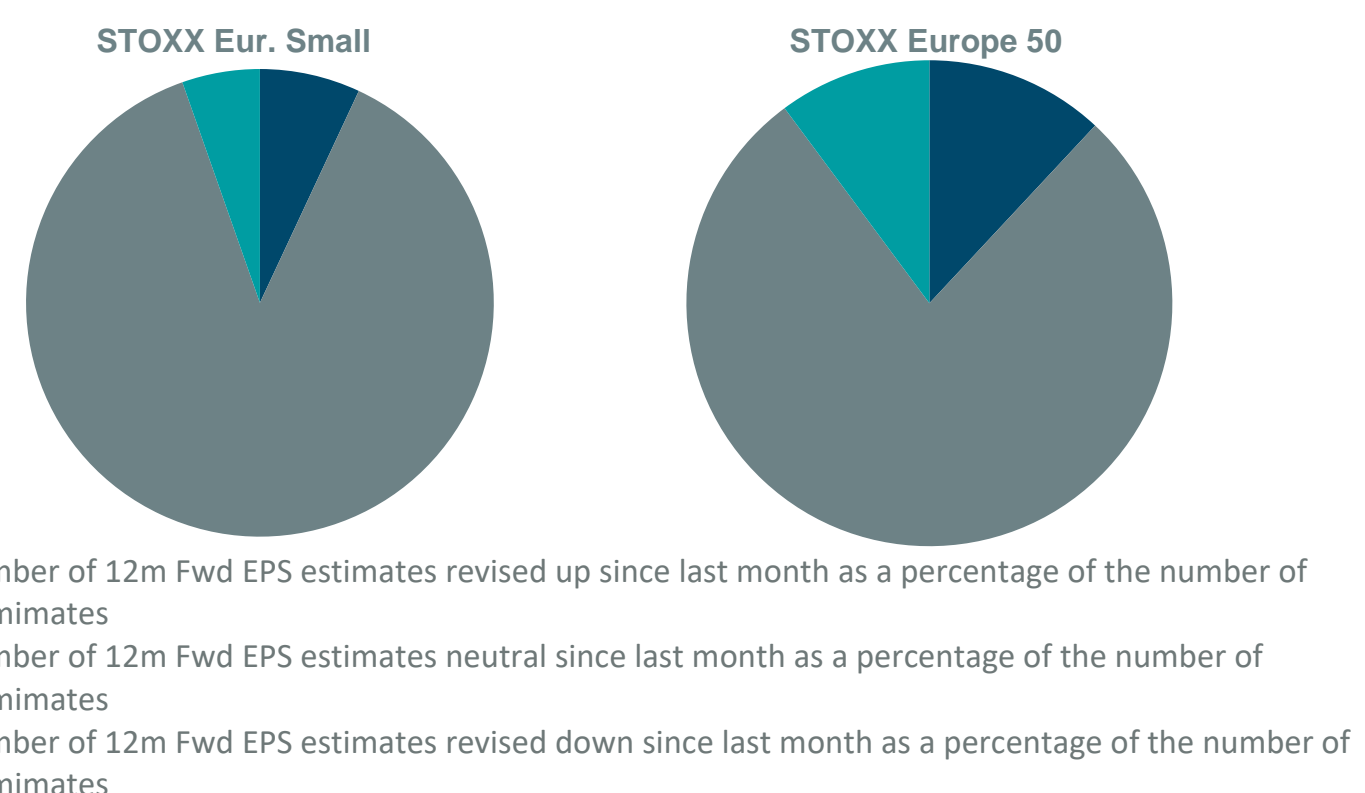
11 Month Performance (1M Removed)

| | |
|------------------|-------|
| STOXX Eur. Small | 8.4% |
| STOXX Europe 50 | 11.8% |



Positive and negative revisions in 12M EPS estimates⁴

| | STOXX Eur. Small | | STOXX Europe 50 | |
|--------------------|------------------|------------|-----------------|------------|
| | Current Month | Last Month | Current Month | Last Month |
| Upward Revisions | 133 | 149 | 114 | 77 |
| Neutral | 1677 | 1623 | 743 | 779 |
| Downward Revisions | 103 | 169 | 97 | 98 |



Source Bloomberg LP, Thomson Reuters Datastream, DWS Calculations. As of 30 Apr 2024

1. Risk measures (Volatility, Drawdown, Beta) are calculated over the last five years period using daily frequency observations.

2. "Change" refers to the change of the observed metric since last quarter observation.

3. 11M Momentum is defined as the 11M performance of the index calculated as of 1 month ago (often referred in the literature as "1M removed").

4. This earning revision indicator, often referred as "Sentiment" is calculated as: positive minus negative revisions / Total Number of 12M Fwd EPS estimates.

5. Based on end of month observations over the last 5 years. * This information is intended for informational purposes only and does not constitute investment advice, a recommendation, an offer or solicitation.

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FTSE Small Cap

Introduction

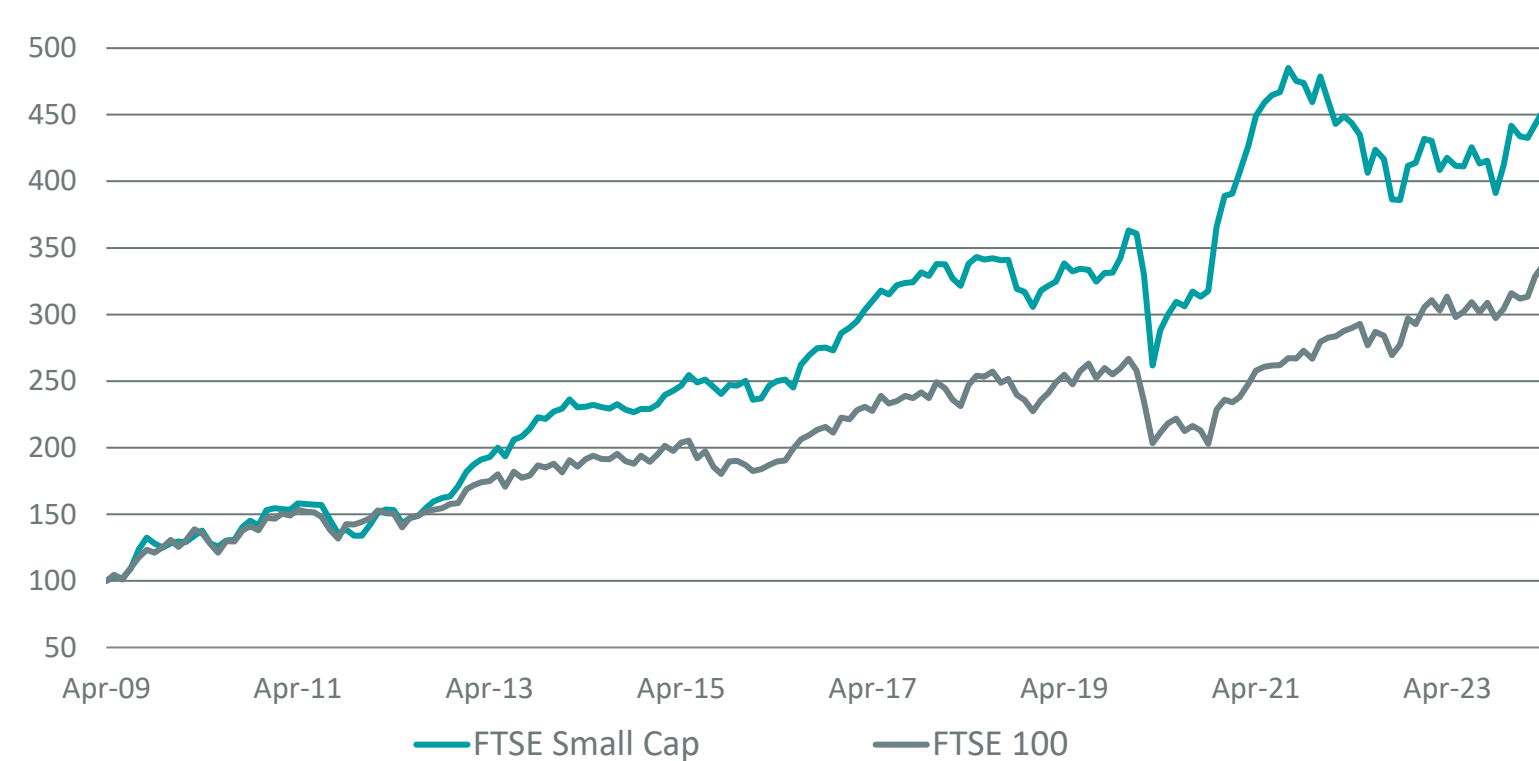
The FTSE SmallCap Index is a capitalization-weighted index of those stocks that represent the smaller capitalization companies of the FTSE All Share.

Summary

Current Indicator Summary



Historical Performance



Risk and Return

| Return | FTSE Small Cap | FTSE 100 |
|----------------------------|----------------|----------|
| Last 1M | 2.5% | 2.7% |
| Last 6M | 15.9% | 13.5% |
| Last 1Y | 8.5% | 7.7% |
| Last 5Y | 6.0% | 5.8% |
| 5Y Risk¹ | | |
| Vol. | 15.2% | 17.5% |
| Max DD | -39.8% | -34.2% |
| Beta | 67% | - |
| Tracking Error | 11.3% | - |

Sector Snapshot

| Top Ten Constituents Weights* | |
|-------------------------------|------|
| GNC LN | 1.3% |
| PCFT LN | 1.0% |
| CHRY LN | 1.0% |
| GROW LN | 1.0% |
| XPS LN | 1.0% |
| RWI LN | 0.9% |
| JEGI LN | 0.9% |
| PCGH LN | 0.9% |
| JUGI LN | 0.9% |
| PAC LN | 0.9% |

Valuations (Relative to Historical Averages)

| Factor | Current | Change ² | Current value (vs 5Y Highs and Lows) ⁵ |
|----------------------------------|---------|---------------------|---|
| 12M Forward P/E (Consensus) | 9.5 | -0.3 | 7.1 - 17.3 |
| 12M Forward P/B (Consensus) | 0.9 | 0.1 | 0.6 - 1.5 |
| 12M Forward P/CF (Consensus) | 3.8 | -1.4 | 2.6 - 19.7 |
| 12M Forward P/EBITDA (Consensus) | 3.1 | -0.2 | 2.4 - 5.7 |
| Indicated Dividend Yield | 6.5% | 0.2% | 1.6% - 8.1% |

Valuations (Relative to FTSE 100)

| Factor | FTSE Small Cap | FTSE 100 | Difference | Historical Median |
|----------------------------------|----------------|----------|------------|-------------------|
| 12M Forward P/E (Consensus) | 9.5 | 11.2 | -1.8 | -0.4 |
| 12M Forward P/B (Consensus) | 0.9 | 1.6 | -0.7 | -0.5 |
| 12M Forward P/CF (Consensus) | 3.8 | 7.5 | -3.6 | -1.1 |
| 12M Forward P/EBITDA (Consensus) | 3.1 | 5.7 | -2.6 | -1.6 |
| Indicated Dividend Yield | 6.5% | 3.8% | 2.7% | -0.5% |

Fundamental (Relative to Historical Averages)

| Factor | Current | Change ² | Current value (vs 5Y Highs and Lows) ⁵ |
|----------------------------------|---------|---------------------|---|
| 12M Fwd Growth EPS (Consensus) | 56.2% | -11.5% | -24.3% - 1594.3% |
| 12M Fwd Growth Sales (Consensus) | 3.0% | -1.3% | -2.5% - 8.8% |
| 12M Fwd Growth CPS (Consensus) | 11.8% | -17.5% | -69.8% - 405.8% |
| 12M Fwd Growth BPS (Consensus) | 7.7% | 14.0% | -11.5% - 10.8% |

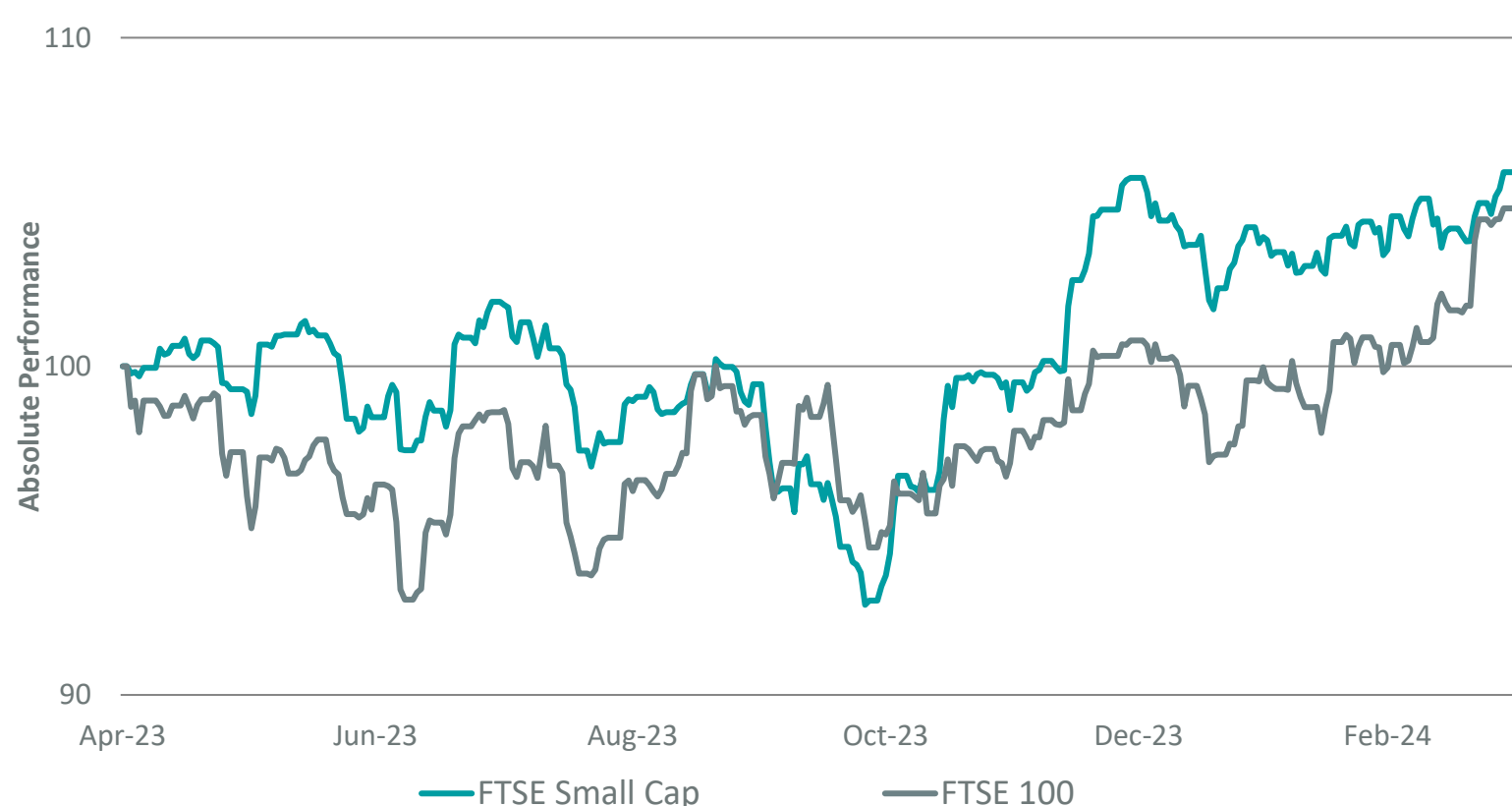
Fundamental (Relative to FTSE 100)

| Factor | FTSE Small Cap | FTSE 100 | Difference | Historical Median |
|----------------------------------|----------------|----------|------------|-------------------|
| 12M Fwd Growth EPS (Consensus) | 56.2% | 3.5% | 52.7% | 36.8% |
| 12M Fwd Growth Sales (Consensus) | 3.0% | 4.1% | -1.0% | 0.7% |
| 12M Fwd Growth CPS (Consensus) | 11.8% | 12.0% | -0.1% | 11.6% |
| 12M Fwd Growth BPS (Consensus) | 7.7% | 6.4% | 1.3% | -0.1% |

11 Month Momentum³

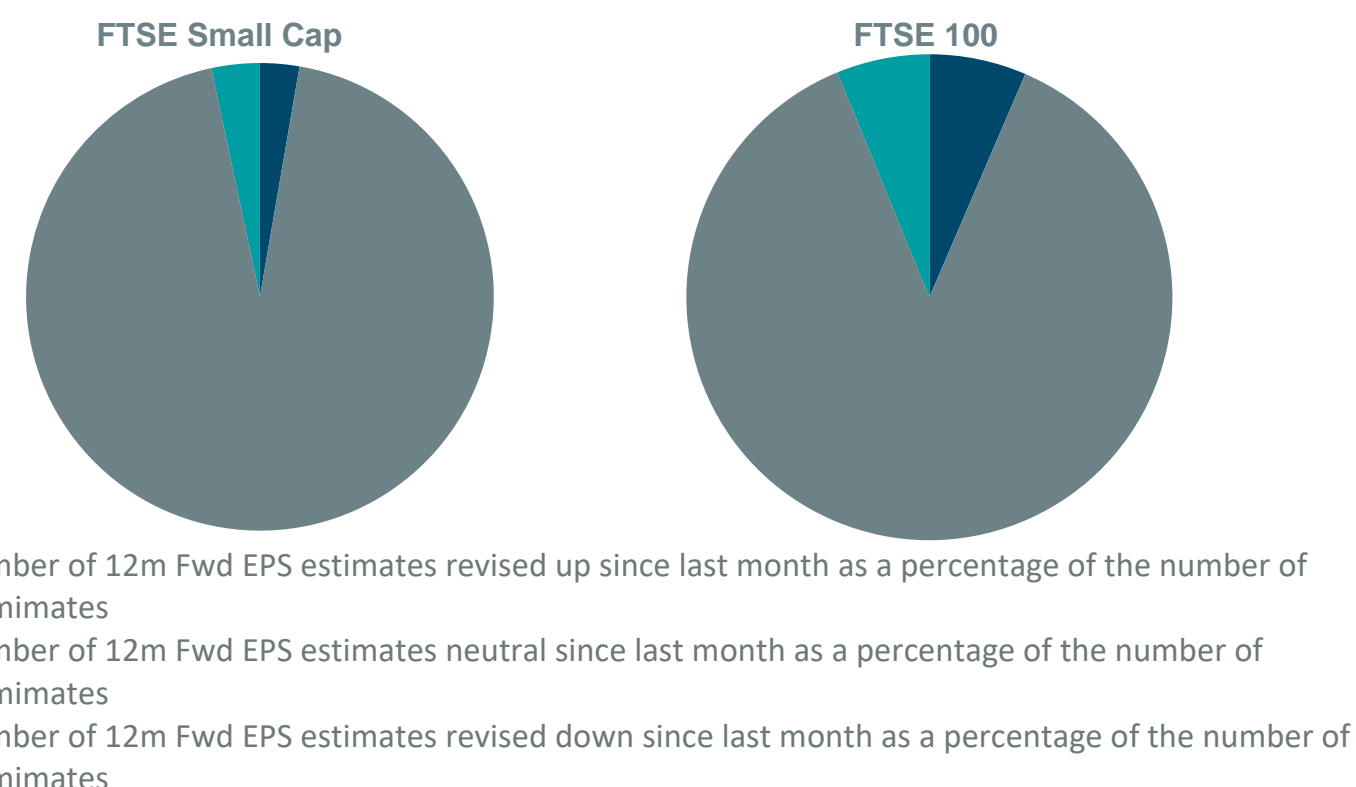
11 Month Performance (1M Removed)

| | |
|----------------|------|
| FTSE Small Cap | 5.9% |
| FTSE 100 | 4.8% |



Positive and negative revisions in 12M EPS estimates⁴

| | FTSE Small Cap | | FTSE 100 | |
|--------------------|----------------|------------|---------------|------------|
| | Current Month | Last Month | Current Month | Last Month |
| Upward Revisions | 13 | 49 | 96 | 129 |
| Neutral | 450 | 369 | 1298 | 1208 |
| Downward Revisions | 16 | 62 | 92 | 156 |



Source Bloomberg LP, Thomson Reuters Datastream, DWS Calculations. As of 30 Apr 2024

1. Risk measures (Volatility, Drawdown, Beta) are calculated over the last five years period using daily frequency observations.

2. "Change" refers to the change of the observed metric since last quarter observation.

3. 11M Momentum is defined as the 11M performance of the index calculated as of 1 month ago (often referred in the literature as "1M removed").

4. This earning revision indicator, often referred as "Sentiment" is calculated as: positive minus negative revisions / Total Number of 12M Fwd EPS estimates.

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Mid DAX

Introduction

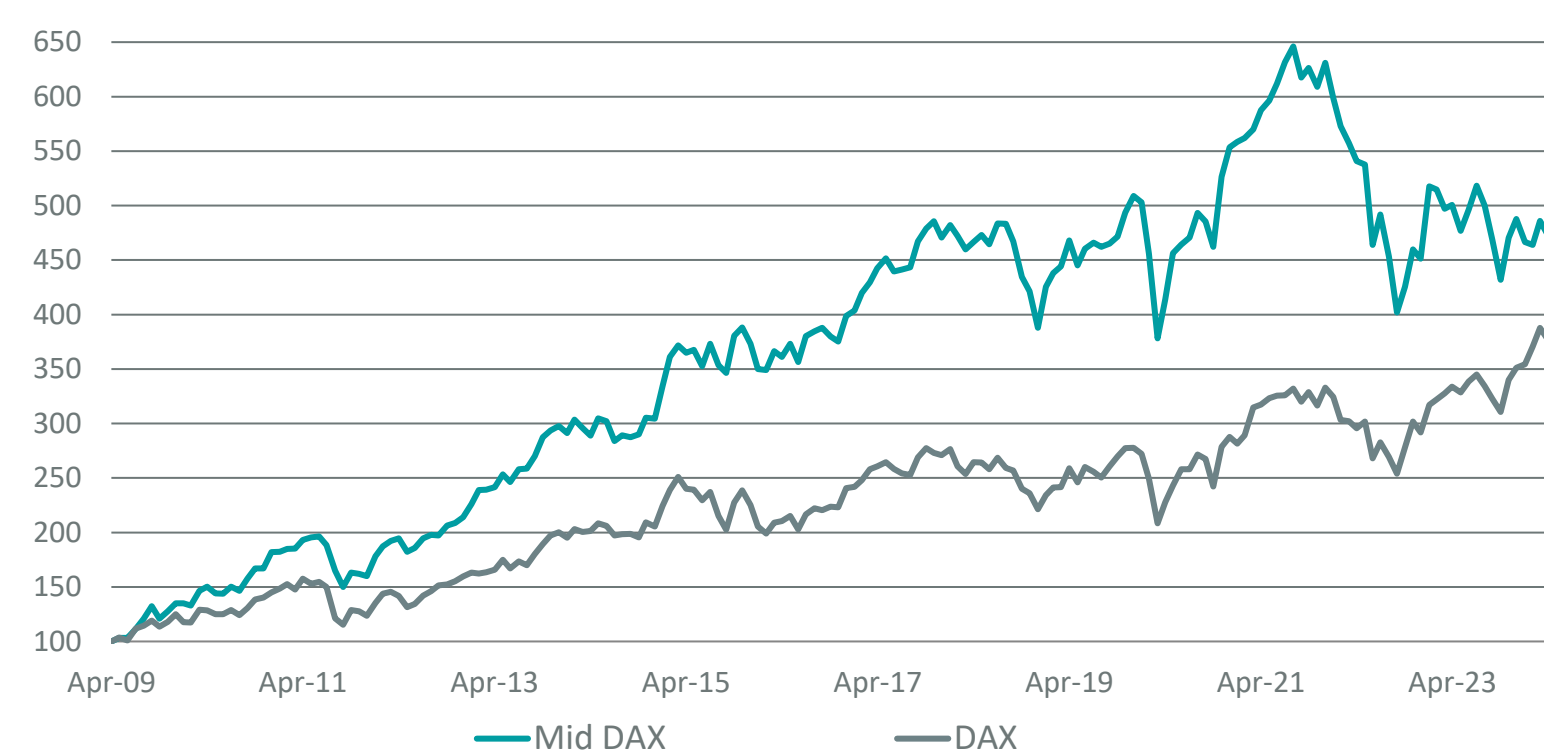
The German DAX Mid-Cap Index is composed of 50 mid-cap issues that rank below the DAX.

Summary

Current Indicator Summary



Historical Performance



Risk and Return

| Return | Mid DAX | DAX |
|---------|---------|-------|
| Last 1M | -2.9% | -3.0% |
| Last 6M | 9.3% | 21.1% |
| Last 1Y | -5.7% | 12.6% |
| Last 5Y | 0.2% | 7.8% |

| 5Y Risk ¹ | Mid DAX | DAX |
|----------------------|---------|--------|
| Vol. | 20.8% | 21.0% |
| Max DD | -39.9% | -38.8% |
| Beta | 88% | - |
| Tracking Error | 9.9% | - |

Valuations (Relative to Historical Averages)

| Factor | Current | Change ² | Current value (vs 5Y Highs and Lows) ⁵ |
|----------------------------------|---------|---------------------|---|
| 12M Forward P/E (Consensus) | 13.8 | 0.6 | 9.9 - 38.1 |
| 12M Forward P/B (Consensus) | 1.2 | 0.1 | 0.9 - 2.4 |
| 12M Forward P/CF (Consensus) | 7.5 | 0.6 | 4.6 - 13.6 |
| 12M Forward P/EBITDA (Consensus) | 5.0 | 0.2 | 4.2 - 9.8 |
| Indicated Dividend Yield | 2.6% | 0.1% | 1.2% - 3.2% |

Valuations (Relative to DAX)

| Factor | Mid DAX | DAX | Difference | Historical Median |
|----------------------------------|---------|------|------------|-------------------|
| 12M Forward P/E (Consensus) | 13.8 | 12.2 | 1.7 | 4.2 |
| 12M Forward P/B (Consensus) | 1.2 | 1.5 | -0.2 | -0.1 |
| 12M Forward P/CF (Consensus) | 7.5 | 7.4 | 0.1 | 0.4 |
| 12M Forward P/EBITDA (Consensus) | 5.0 | 4.8 | 0.3 | 1.5 |
| Indicated Dividend Yield | 2.6% | 3.0% | -0.4% | -0.9% |

Fundamental (Relative to Historical Averages)

| Factor | Current | Change ² | Current value (vs 5Y Highs and Lows) ⁵ |
|----------------------------------|---------|---------------------|---|
| 12M Fwd Growth EPS (Consensus) | 21.9% | 2.1% | -6.7% - 809.5% |
| 12M Fwd Growth Sales (Consensus) | 4.3% | 0.5% | -3.5% - 12.4% |
| 12M Fwd Growth CPS (Consensus) | -10.4% | -11.3% | -11.1% - 205.5% |
| 12M Fwd Growth BPS (Consensus) | 4.5% | -0.7% | 0.9% - 8.1% |

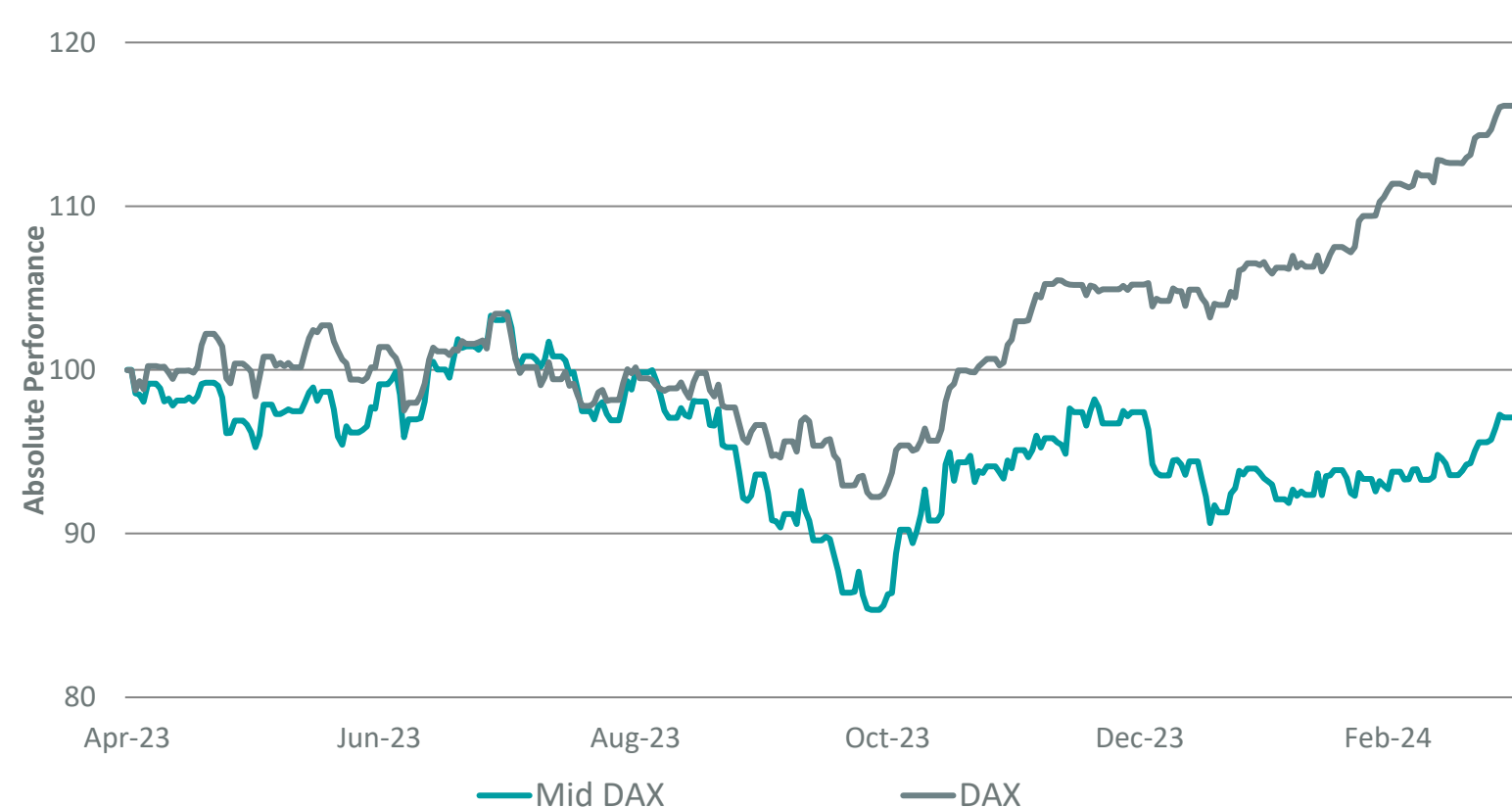
Fundamental (Relative to DAX)

| Factor | Mid DAX | DAX | Difference | Historical Median |
|----------------------------------|---------|------|------------|-------------------|
| 12M Fwd Growth EPS (Consensus) | 21.9% | 5.5% | 16.4% | 5.3% |
| 12M Fwd Growth Sales (Consensus) | 4.3% | 1.1% | 3.2% | 1.6% |
| 12M Fwd Growth CPS (Consensus) | -10.4% | 6.9% | -17.4% | 10.0% |
| 12M Fwd Growth BPS (Consensus) | 4.5% | 2.0% | 2.5% | 0.5% |

11 Month Momentum³

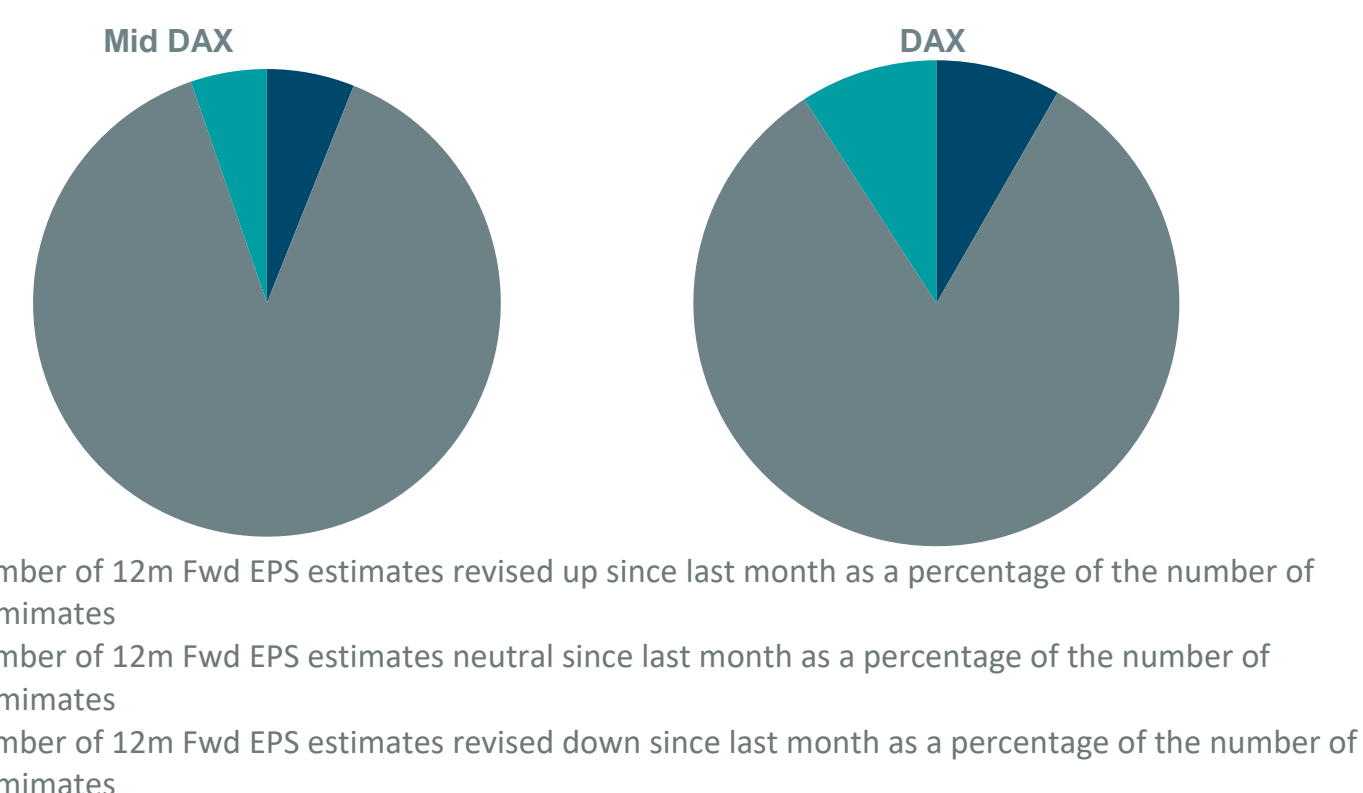
11 Month Performance (1M Removed)

| | |
|---------|-------|
| Mid DAX | -2.9% |
| DAX | 16.1% |



Positive and negative revisions in 12M EPS estimates⁴

| | Mid DAX | | DAX | |
|--------------------|---------------|------------|---------------|------------|
| | Current Month | Last Month | Current Month | Last Month |
| Upward Revisions | 31 | 64 | 60 | 104 |
| Neutral | 454 | 371 | 596 | 556 |
| Downward Revisions | 27 | 74 | 66 | 83 |



Source Bloomberg LP, Thomson Reuters Datastream, DWS Calculations. As of 30 Apr 2024

1. Risk measures (Volatility, Drawdown, Beta) are calculated over the last five years period using daily frequency observations.

2. "Change" refers to the change of the observed metric since last quarter observation.

3. 11M Momentum is defined as the 11M performance of the index calculated as of 1 month ago (often referred in the literature as "1M removed").

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Russell 2000

Introduction

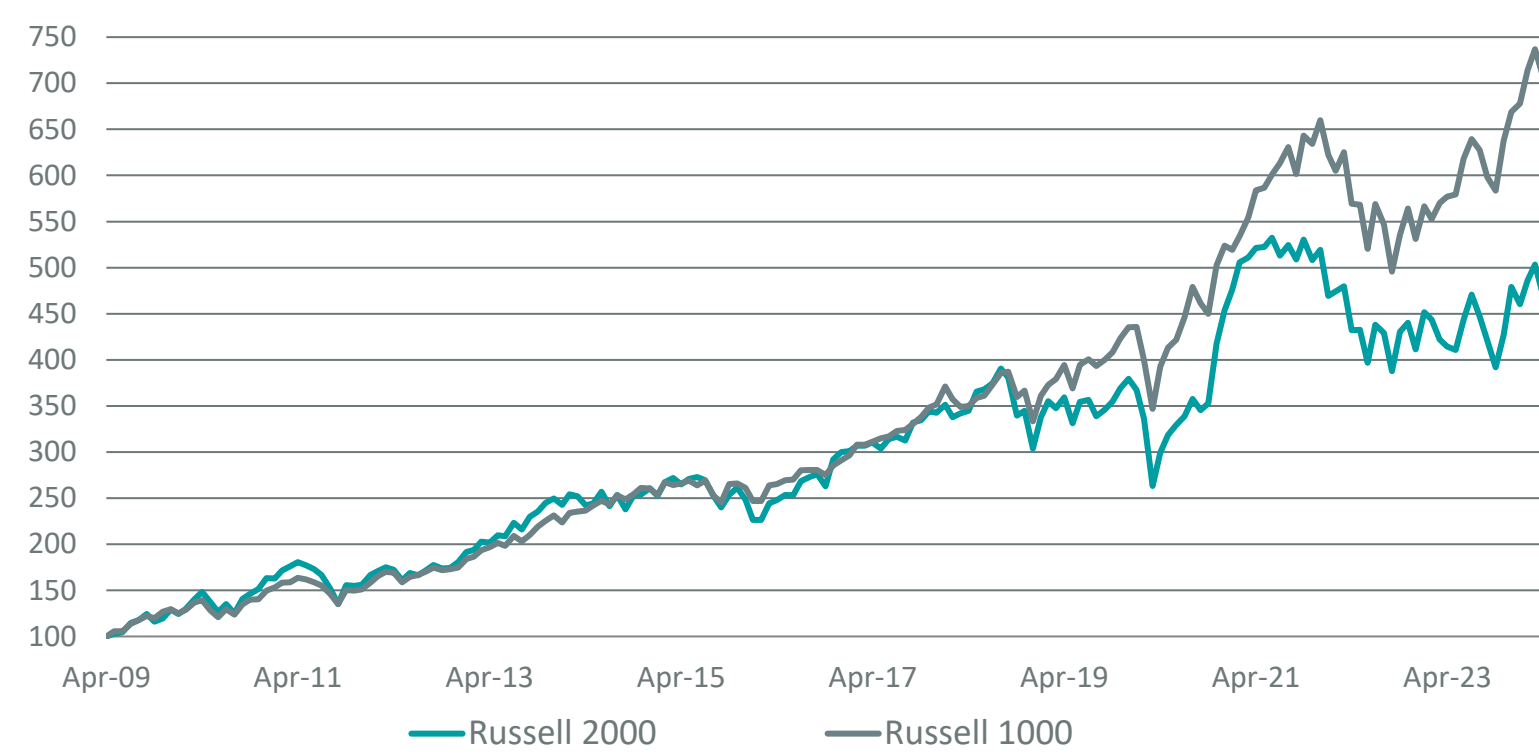
The Russell 2000 Index is comprised of the smallest 2000 companies in the Russell 3000 Index, representing approximately 8% of the Russell 3000 total market capitalization.

Summary

Current Indicator Summary



Historical Performance



Risk and Return

| | Russell 2000 | Russell 1000 |
|----------------------|--------------|--------------|
| Return | | |
| Last 1M | -7.1% | -4.3% |
| Last 6M | 19.4% | 20.9% |
| Last 1Y | 12.8% | 22.3% |
| Last 5Y | 5.4% | 12.3% |
| 5Y Risk ¹ | | |
| Vol. | 27.6% | 21.6% |
| Max DD | -41.8% | -34.6% |
| Beta | 113% | - |
| Tracking Error | 13.0% | - |

Sector Snapshot

| Top Ten Constituents Weights* | |
|-------------------------------|------|
| TTD UQ | 0.3% |
| ETSY UW | 0.3% |
| ROKU UW | 0.3% |
| ZS UW | 0.3% |
| HUBS UN | 0.3% |
| CIEN UN | 0.3% |
| FIVE UW | 0.3% |
| WWE UN | 0.3% |
| IDTI UW | 0.2% |
| WWD UW | 0.2% |

Valuations (Relative to Historical Averages)

| Factor | Current | Change ² | Current value (vs 5Y Highs and Lows) ⁵ |
|----------------------------------|---------|---------------------|---|
| 12M Forward P/E (Consensus) | 23.9 | 0.3 | 18.1 - 49.8 |
| 12M Forward P/B (Consensus) | 1.8 | 0.0 | 1.3 - 2.5 |
| 12M Forward P/CF (Consensus) | 11.0 | 0.4 | 7.9 - 15.8 |
| 12M Forward P/EBITDA (Consensus) | 6.8 | 0.0 | 5.0 - 9.8 |
| Indicated Dividend Yield | 2.8% | -0.1% | 2.0% - 4.1% |

Valuations (Relative to Russell 1000)

| Factor | Russell 2000 | Russell 1000 | Difference | Historical Median |
|----------------------------------|--------------|--------------|------------|-------------------|
| 12M Forward P/E (Consensus) | 23.9 | 20.3 | 3.6 | 4.9 |
| 12M Forward P/B (Consensus) | 1.8 | 3.9 | -2.1 | -1.7 |
| 12M Forward P/CF (Consensus) | 11.0 | 15.0 | -4.0 | -2.4 |
| 12M Forward P/EBITDA (Consensus) | 6.8 | 11.1 | -4.3 | -3.1 |
| Indicated Dividend Yield | 2.8% | 1.8% | 1.0% | 0.7% |

Fundamental (Relative to Historical Averages)

| Factor | Current | Change ² | Current value (vs 5Y Highs and Lows) ⁵ |
|----------------------------------|---------|---------------------|---|
| 12M Fwd Growth EPS (Consensus) | 29.9% | -3.5% | -21.5% - 281.9% |
| 12M Fwd Growth Sales (Consensus) | 4.8% | 0.5% | -1.5% - 25.8% |
| 12M Fwd Growth CPS (Consensus) | 15.3% | -0.1% | -4.9% - 43.0% |
| 12M Fwd Growth BPS (Consensus) | 4.3% | 0.0% | -1.9% - 11.6% |

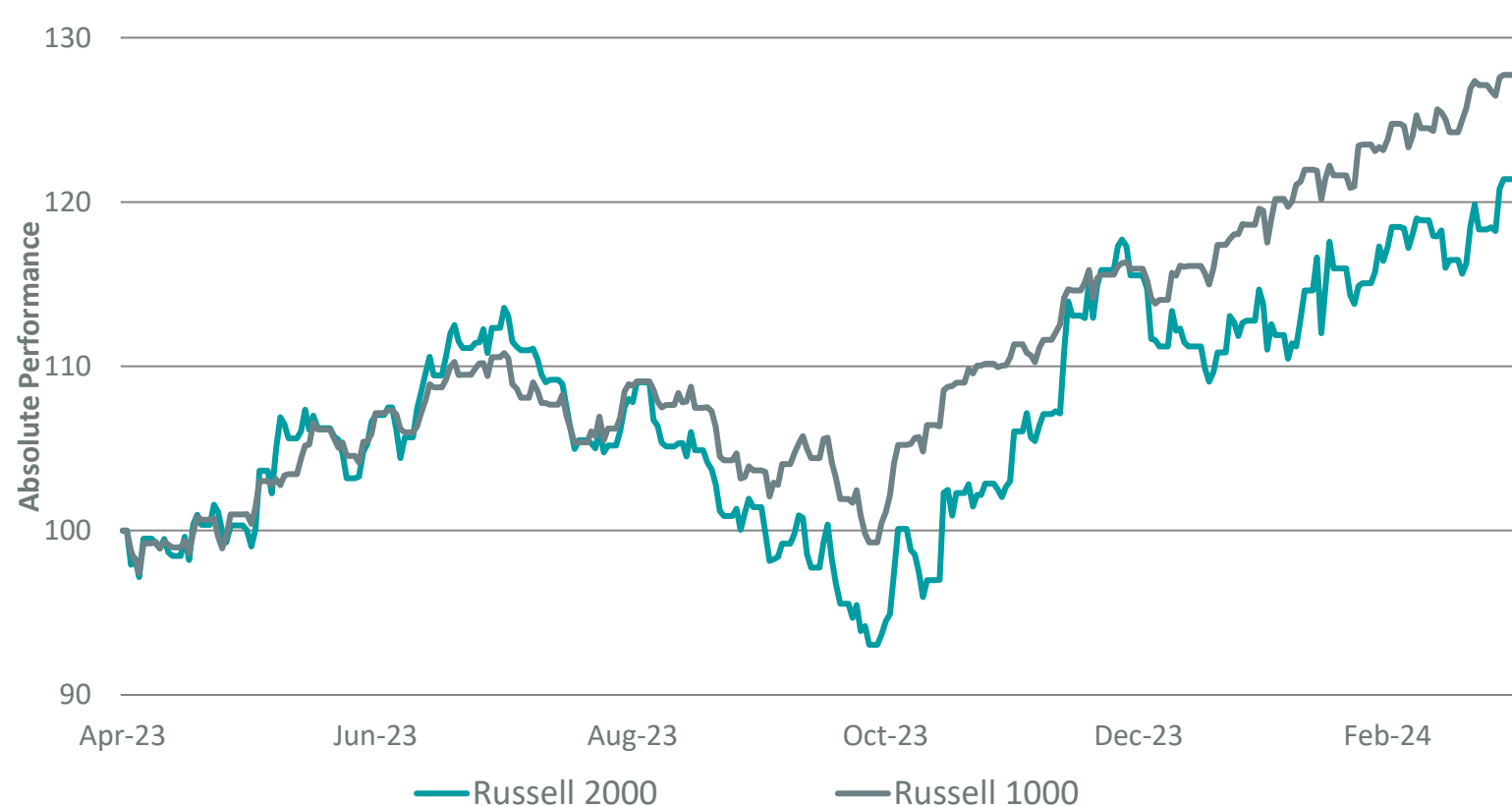
Fundamental (Relative to Russell 1000)

| Factor | Russell 2000 | Russell 1000 | Difference | Historical Median |
|----------------------------------|--------------|--------------|------------|-------------------|
| 12M Fwd Growth EPS (Consensus) | 29.9% | 11.8% | 18.1% | 21.5% |
| 12M Fwd Growth Sales (Consensus) | 4.8% | 5.2% | -0.3% | 0.2% |
| 12M Fwd Growth CPS (Consensus) | 15.3% | 12.9% | 2.4% | 11.2% |
| 12M Fwd Growth BPS (Consensus) | 4.3% | 6.9% | -2.6% | -1.5% |

11 Month Momentum³

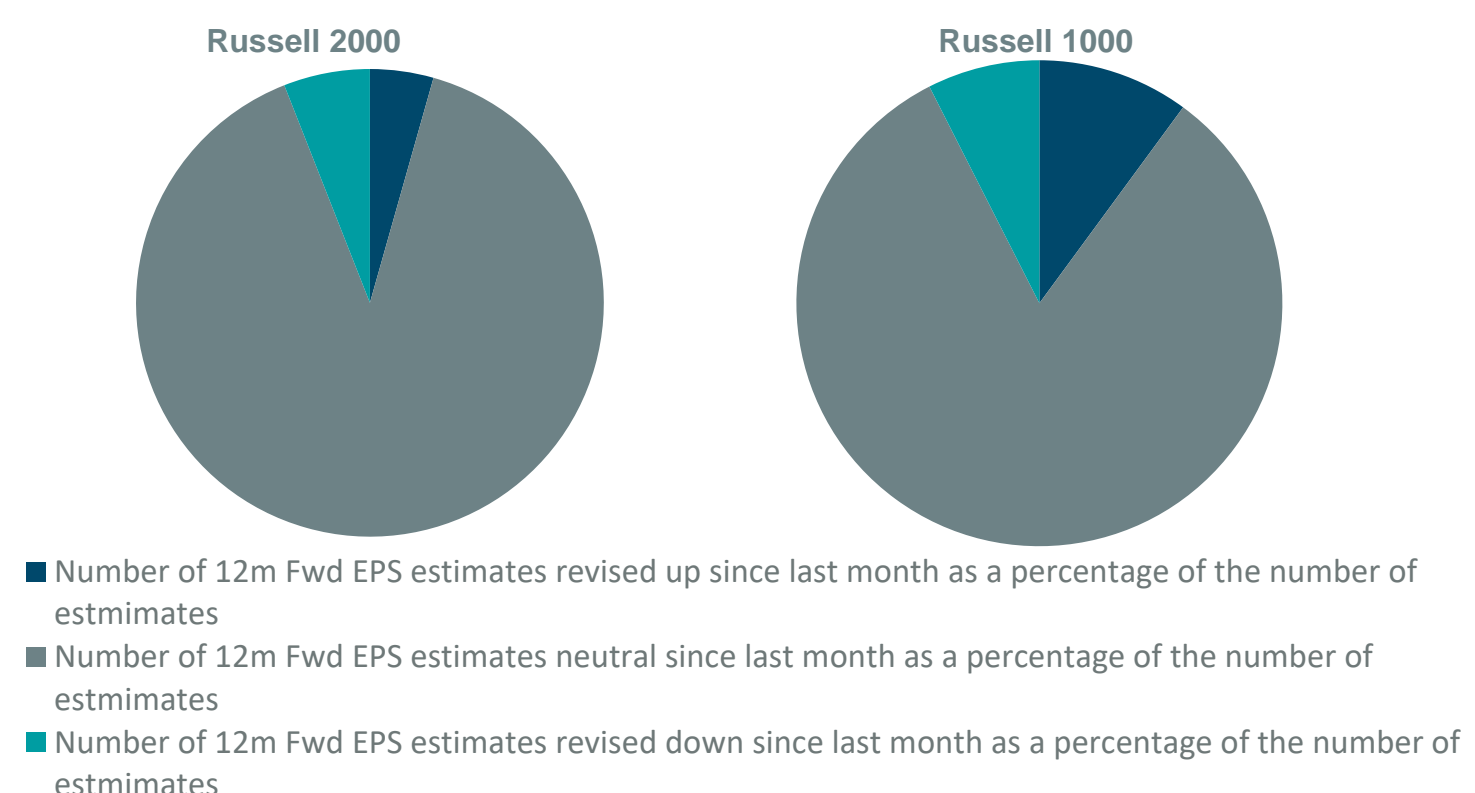
11 Month Performance (1M Removed)

| | |
|--------------|-------|
| Russell 2000 | 21.4% |
| Russell 1000 | 27.7% |



Positive and negative revisions in 12M EPS estimates⁴

| | Russell 2000 | | Russell 1000 | |
|--------------------|---------------|------------|---------------|------------|
| | Current Month | Last Month | Current Month | Last Month |
| Upward Revisions | 444 | 511 | 1562 | 765 |
| Neutral | 9073 | 8808 | 12779 | 13659 |
| Downward Revisions | 604 | 657 | 1159 | 848 |



Source Bloomberg LP, Thomson Reuters Datastream, DWS Calculations. As of 30 Apr 2024

1. Risk measures (Volatility, Drawdown, Beta) are calculated over the last five years period using daily frequency observations.

2. "Change" refers to the change of the observed metric since last quarter observation.

3. 11M Momentum is defined as the 11M performance of the index calculated as of 1 month ago (often referred in the literature as "1M removed").

4. This earning revision indicator, often referred as "Sentiment" is calculated as: positive minus negative revisions / Total Number of 12M Fwd EPS estimates.

5. Based on end of month observations over the last 5 years. * This information is intended for informational purposes only and does not constitute investment advice, a recommendation, an offer or solicitation.

Past performance, actual or simulated, is not a reliable indicator of future results. Forecasts are based on assumptions, estimates, opinions and hypothetical models or analysis which may prove to be incorrect.

Topix Small Cap

Introduction

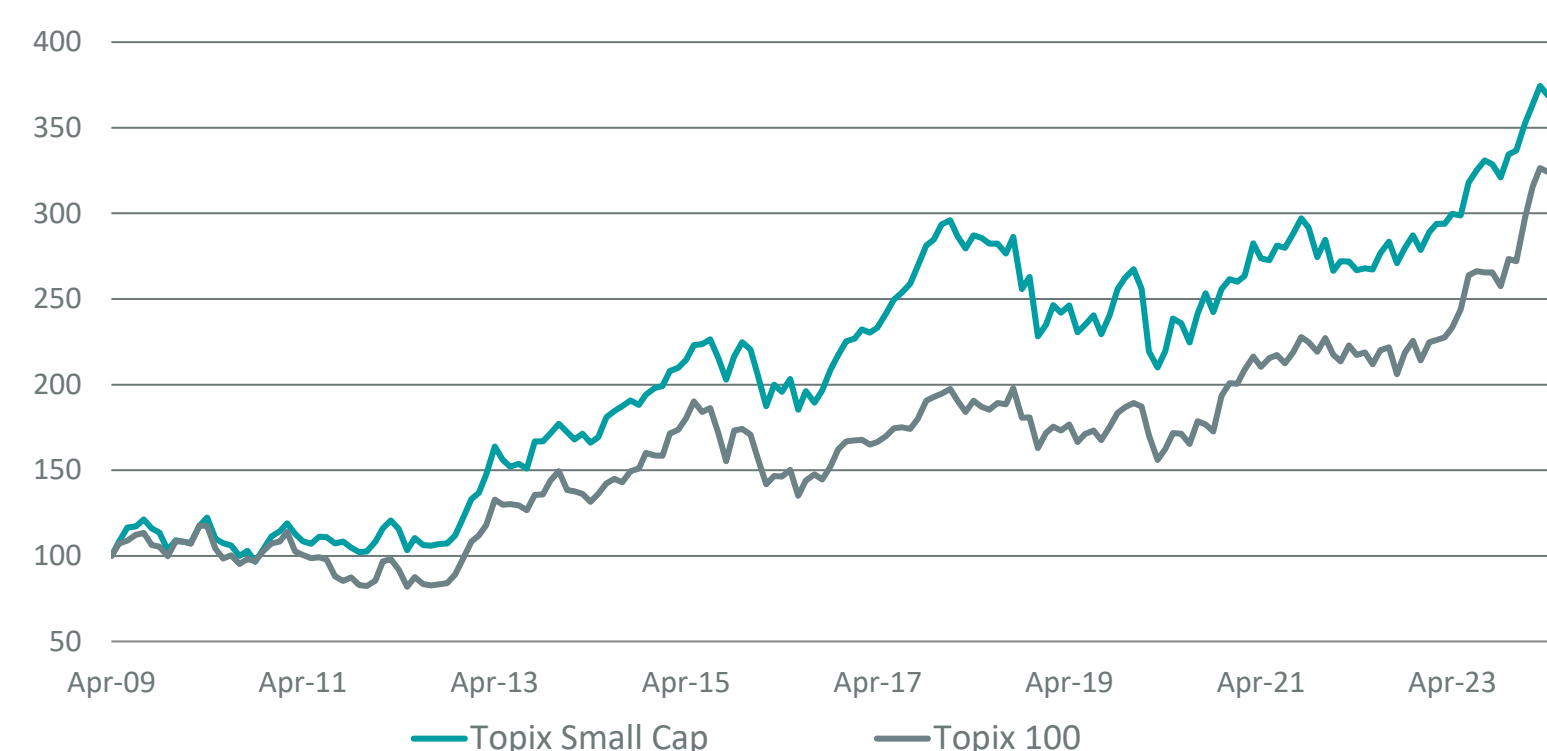
The TOPIX Small Index is a capitalization-weighted index designed to measure the performance of the stocks listed on the First Section of the Tokyo Stock Exchange, excluding the TOPIX 500 stocks and non-eligible stocks.

Summary

Current Indicator Summary



Historical Performance



Risk and Return

| Return | Topix Small Cap | Topix 100 |
|----------------------|-----------------|-----------|
| Last 1M | -1.6% | -0.8% |
| Last 6M | 14.8% | 25.9% |
| Last 1Y | 22.9% | 39.0% |
| Last 5Y | 8.4% | 12.9% |
| 5Y Risk ¹ | Topix Small Cap | Topix 100 |
| Vol. | 17.4% | 17.3% |
| Max DD | -33.8% | -27.6% |
| Beta | 89% | - |
| Tracking Error | 8.3% | - |

Sector Snapshot

| Top Ten Constituents | Weights* |
|----------------------|----------|
| 6525 JT | 0.7% |
| 6323 JT | 0.5% |
| 5838 JT | 0.5% |
| 1969 JT | 0.4% |
| 8341 JT | 0.4% |
| 9749 JT | 0.4% |
| 5344 JT | 0.4% |
| 6871 JT | 0.4% |
| 8078 JT | 0.4% |
| 8020 JT | 0.4% |

Valuations (Relative to Historical Averages)

| Factor | Current | Change ² | Current value (vs 5Y Highs and Lows) ⁵ |
|----------------------------------|---------|---------------------|---|
| 12M Forward P/E (Consensus) | 13.4 | 0.2 | 11.1 - 18.1 |
| 12M Forward P/B (Consensus) | 1.3 | 0.1 | 0.9 - 1.3 |
| 12M Forward P/CF (Consensus) | 8.0 | 0.0 | 5.6 - 8.8 |
| 12M Forward P/EBITDA (Consensus) | 6.7 | 3.4 | 1.8 - 7.0 |
| Indicated Dividend Yield | 2.2% | -0.1% | 1.6% - 2.5% |

Valuations (Relative to Topix 100)

| Factor | Topix Small Cap | Topix 100 | Difference | Historical Median |
|----------------------------------|-----------------|-----------|------------|-------------------|
| 12M Forward P/E (Consensus) | 13.4 | 14.9 | -1.5 | -0.6 |
| 12M Forward P/B (Consensus) | 1.3 | 1.5 | -0.2 | -0.1 |
| 12M Forward P/CF (Consensus) | 8.0 | 9.6 | -1.5 | -1.0 |
| 12M Forward P/EBITDA (Consensus) | 6.7 | 8.0 | -1.3 | -1.0 |
| Indicated Dividend Yield | 2.2% | 2.0% | 0.2% | -0.4% |

Fundamental (Relative to Historical Averages)

| Factor | Current | Change ² | Current value (vs 5Y Highs and Lows) ⁵ |
|----------------------------------|---------|---------------------|---|
| 12M Fwd Growth EPS (Consensus) | 12.2% | 0.1% | -11.0% - 57.6% |
| 12M Fwd Growth Sales (Consensus) | 5.4% | 0.3% | -0.6% - 7.0% |
| 12M Fwd Growth CPS (Consensus) | 12.1% | 3.8% | 6.3% - 39.8% |
| 12M Fwd Growth BPS (Consensus) | 6.9% | 0.1% | 4.7% - 8.6% |

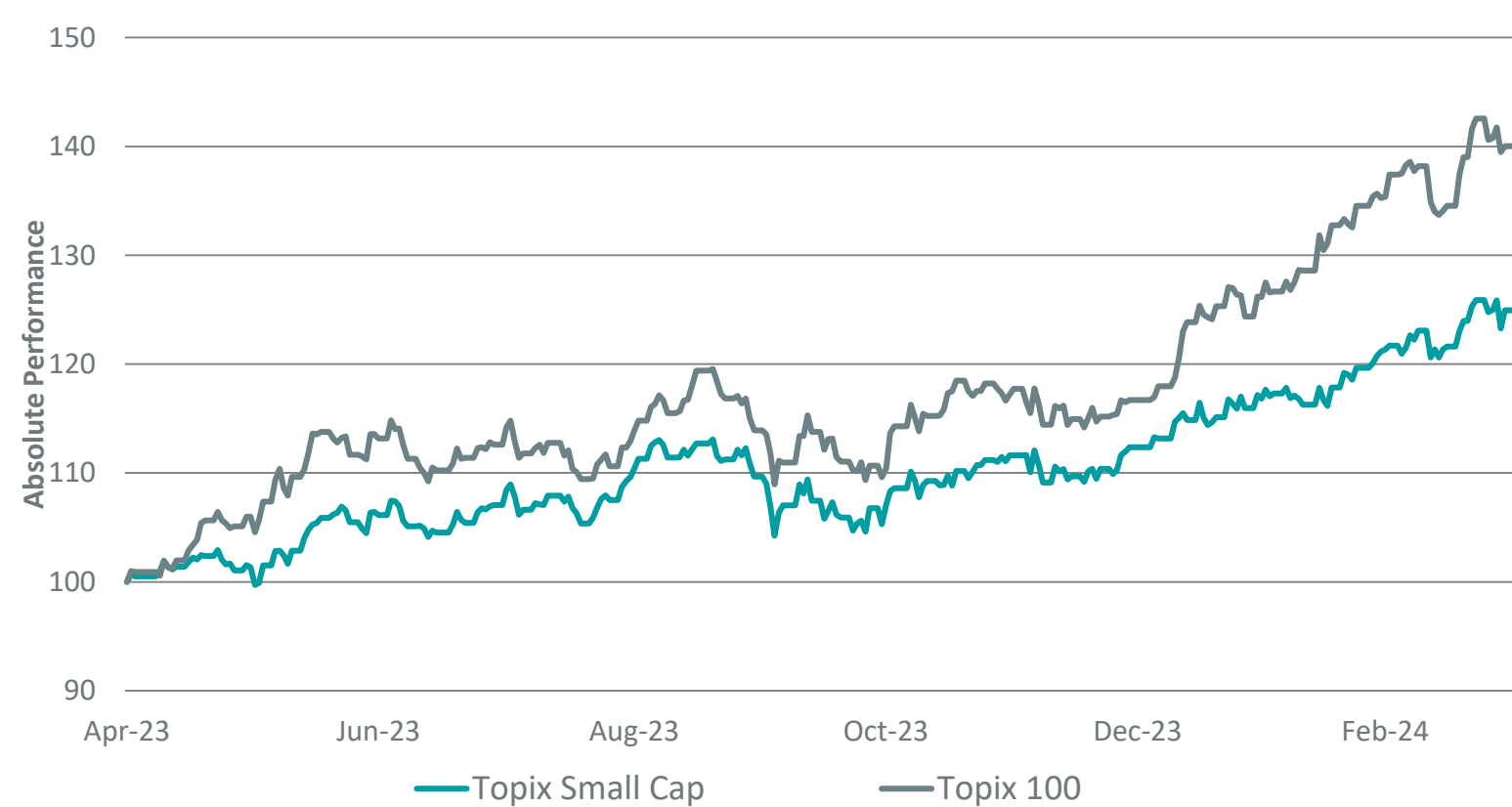
Fundamental (Relative to Topix 100)

| Factor | Topix Small Cap | Topix 100 | Difference | Historical Median |
|----------------------------------|-----------------|-----------|------------|-------------------|
| 12M Fwd Growth EPS (Consensus) | 12.2% | 8.5% | 3.7% | 7.9% |
| 12M Fwd Growth Sales (Consensus) | 5.4% | 2.6% | 2.9% | 1.9% |
| 12M Fwd Growth CPS (Consensus) | 12.1% | 7.4% | 4.8% | 8.8% |
| 12M Fwd Growth BPS (Consensus) | 6.9% | 6.3% | 0.6% | 0.2% |

11 Month Momentum³

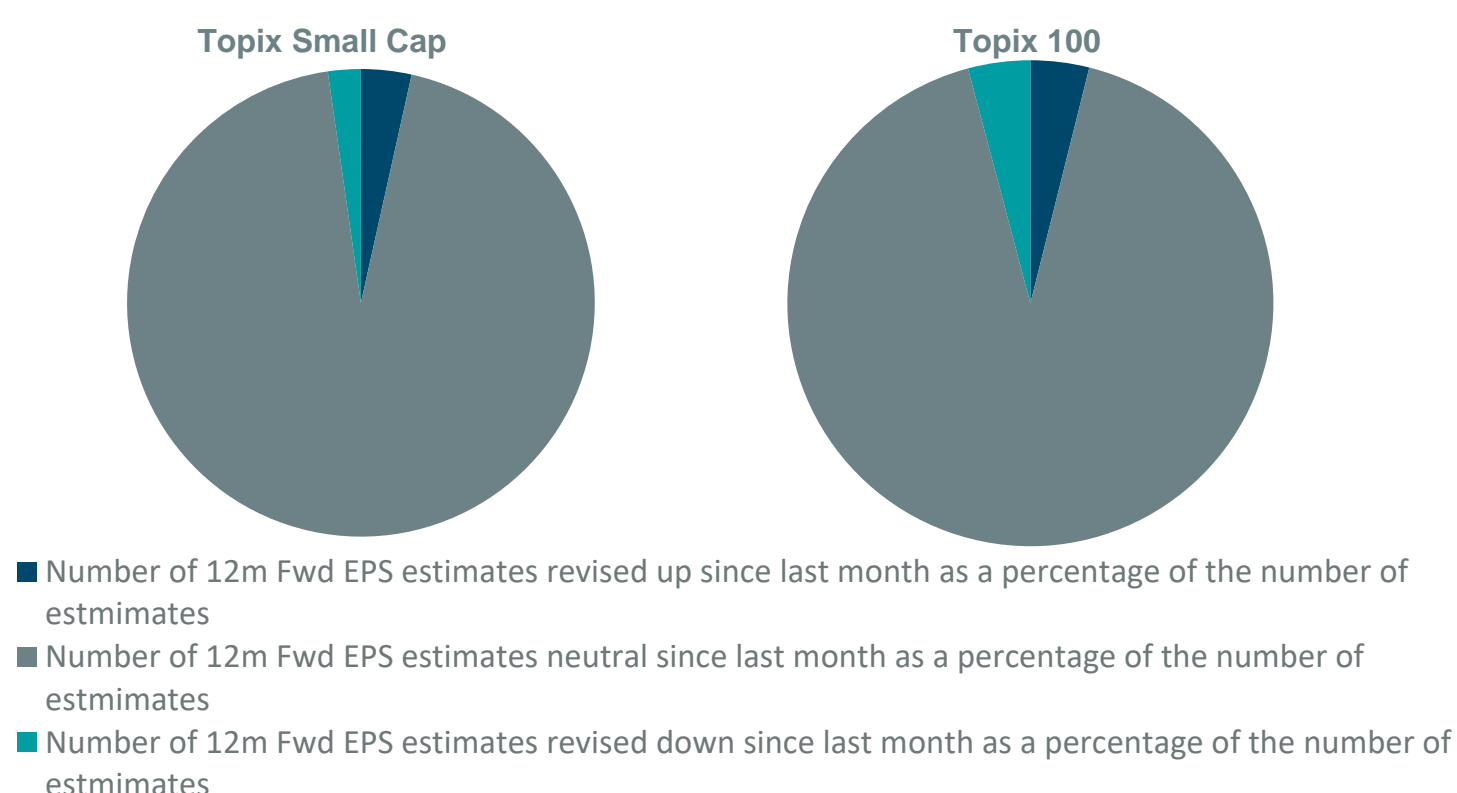
11 Month Performance (1M Removed)

| | |
|-----------------|-------|
| Topix Small Cap | 24.9% |
| Topix 100 | 40.0% |



Positive and negative revisions in 12M EPS estimates⁴

| | Topix Small Cap | | Topix 100 | |
|--------------------|-----------------|------------|---------------|------------|
| | Current Month | Last Month | Current Month | Last Month |
| Upward Revisions | 43 | 43 | 50 | 59 |
| Neutral | 1163 | 1145 | 1178 | 1179 |
| Downward Revisions | 28 | 42 | 53 | 29 |



Source Bloomberg LP, Thomson Reuters Datastream, DWS Calculations. As of 30 Apr 2024

1. Risk measures (Volatility, Drawdown, Beta) are calculated over the last five years period using daily frequency observations.

2. "Change" refers to the change of the observed metric since last quarter observation.

3. 11M Momentum is defined as the 11M performance of the index calculated as of 1 month ago (often referred in the literature as "1M removed").

4. This earning revision indicator, often referred as "Sentiment" is calculated as: positive minus negative revisions / Total Number of 12M Fwd EPS estimates.

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Small Cap Assessment Framework - Glossary

How to read the "Current Indicator Summary"

| | |
|-----------------------------------|--|
| GDP Growth | This indicator shows a positive signal when the latest GDP Growth YoY publication is higher than the GDP Growth YoY published a year prior. Such a signal could be beneficial to pro cyclical stocks such as small caps. |
| Macroeco Leading Indicator | This indicator shows a positive signal when the OECD Composite Leading Indicator has been increasing over the last 6 months signalling growth momentum for the near future. Such a signal has been historically beneficial to pro cyclical stocks such as small caps. |
| Valuation | This composite indicator is based on 5 valuation metrics (12m Forward P/E , 12m Forward P/B , 12m Forward P/CF , 12m Forward P/EBITDA and Indicated Dividend Yield). It shows a positive signal when the average of the 5 Years Historical Z-Score calculated for each metrics is significantly below zero. Such a signal indicates that small cap stocks are cheap compared to their historic valuations. |
| Relative Valuation | This indicator composite is based on 5 valuation metrics (12m Forward P/E, 12m Forward P/B, 12m Forward P/CF, 12m Forward P/EBITDA and Indicated Dividend Yield) but on a relative basis i.e. by calculating the difference between the small cap index and the large cap index. It shows a positive signal when the average of the 5 Years Historical Relative Z-Score calculated for each metric is significantly below zero. Such a signal indicates that small cap stocks are cheap versus large cap compared to historical values. |
| Momentum | This indicator shows a positive signal when the 11m momentum of the small cap index is positive. Such a signal indicates that the small cap index currently exhibits positive momentum. |
| Sentiment | This indicator shows a positive signal when the Sentiment exhibited by analysts is stronger than usual (as defined by a 5 Year Historical Z-Score). |

Definitions

| | |
|---|--|
| GDP Growth YoY | Gross Domestic Product Growth Year on Year (constant Price, non adjusted) |
| OECD Composite Leading Indicator | Economists use various tools to understand short and medium-term trends in economic activity. One of these is the Composite Leading Indicators series, developed and published by the OECD, which anticipates turning points in the business cycle six to nine months before they occur. The Gross Domestic Product (GDP) is used as the reference for identification of turning points in the growth cycle. |
| Volatility | Historical volatility is an indicator of risk. It measures the degree of variation of a trading price series over time, as measured by the standard deviation of returns. In this case, it is calculated over the last 5 years using daily returns. |
| Maximum Drawdown | Maximum drawdown is an indicator of risk. It measures the largest drop from peak to trough in the price of an asset. |
| Beta | Beta is a measure of the risk compared to a given benchmark (here the large cap index). Beta is calculated using regression analysis. A beta of less than 1 means that the small cap index will be less volatile than the large cap index. |
| Tracking Error | Tracking error is a measure of relative risk versus a given benchmark. It is defined as the annualized divergence between the price behavior of an index and the price behavior of a benchmark calculated as the standard deviation of the difference between their returns. Here, it is calculated over the last 5 years using daily returns. |
| 12m Forward P/E (Consensus) | Weighted Average Price/Earnings per Share ratio based on 12-month-forward Earnings |
| 12m Forward P/B (Consensus) | Weighted Average Price/Book Value per Share ratio based on 12 month forward Book Value per Share |
| 12m Forward P/CF (Consensus) | Weighted Average Price/Cash Flow per Share ratio based on 12 month forward Cash Flow per Share |
| 12m Forward P/EBITDA (Consensus) | Weighted Average Price/EBITDA ratio based on 12 month forward EBITDA |
| Indicated Dividend Yield (Consensus) | Weighted Average Dividend Yield based on the Indicated Annual Dividend |
| 12M Fwd Growth EPS (Consensus) | Weighted 12-month-forward Year-over-Year Growth In Earnings per Share |
| 12M Fwd Growth Sales (Consensus) | Weighted 12-month-forward Year-over-Year Growth In Sales |
| 12M Fwd Growth CPS (Consensus) | Weighted 12-month-forward Year-over-Year Growth In Cash Flow per Share |
| 12M Fwd Growth BPS (Consensus) | Weighted 12-month-forward Year-over-Year Growth In Book Value per Share |
| 11 Month Momentum | Momentum refers to the rate of change of price movements for a particular index – that is, the speed at which the price is changing. In this case, the traditional measure of momentum is used i.e. the 11 Month performance of the index calculated a month ago. |
| Sentiment | Standardized score calculated as the number of upward revisions of 12m Fwd EPS estimates minus the number of downward revisions divided by the number of unchanged estimates. This scores provides an insight into how analysts' view of a given group of stocks are shifting. |
| 12M Forward EPS Estimates | 12-month-forward Earnings per Share estimates by analysts |
| Revisions to 12M Forward EPS Estimates | Number of revisions to 12-month-forward Earnings per Share estimates by analysts over the last month. |
| Historical Median | Value lying at the midpoint of a frequency distribution of observed values, such that there is an equal probability of falling above or below it. |
| 5 Years Historical Z-Score | A z-score (aka, a standard score) indicates how many standard deviations an element is from the mean. It is a dimensionless quantity obtained by subtracting the population mean from an individual raw score and then dividing the difference by the population's standard deviation. Here, the last 5 year data observed on a monthly basis is used. |

ROLLING 12 MONTHS PERFORMANCE AS OF 30-Apr-2024

| Name | Currency | 30-Apr-23- | 30-Apr-22- | 30-Apr-21- | 30-Apr-20- | 30-Apr-19- | 30-Apr-18- | 30-Apr-17- | 30-Apr-16- | 30-Apr-15- | 30-Apr-14- |
|------------------------|----------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | | 30-Apr-24 | 30-Apr-23 | 30-Apr-22 | 30-Apr-21 | 30-Apr-20 | 30-Apr-19 | 30-Apr-18 | 30-Apr-17 | 30-Apr-16 | 30-Apr-15 |
| STOXX Europe 200 Small | EUR | 7.0% | -5.6% | -4.3% | 42.5% | -10.2% | 2.1% | 5.5% | 19.8% | -6.8% | 18.1% |
| STOXX Europe 50 | EUR | 11.7% | 11.6% | 12.9% | 21.8% | -8.1% | 7.2% | 0.2% | 15.3% | -14.1% | 19.2% |
| FTSE Small Cap | GBP | 8.5% | -5.9% | -1.2% | 56.0% | -14.9% | 0.0% | 9.1% | 24.0% | 1.4% | 6.8% |
| FTSE 100 | GBP | 7.7% | 8.2% | 12.3% | 22.2% | -17.1% | 3.1% | 8.5% | 20.0% | -6.8% | 6.4% |
| Mid DAX | EUR | -5.7% | -7.4% | -8.0% | 41.9% | -11.5% | 0.3% | 5.5% | 22.5% | -1.1% | 26.3% |
| DAX | EUR | 12.6% | 12.9% | -6.9% | 39.4% | -12.0% | -2.1% | 1.4% | 23.9% | -12.4% | 19.3% |
| Russell 2000 | USD | 12.8% | -4.1% | -17.1% | 74.3% | -16.8% | 4.2% | 11.1% | 25.1% | -6.3% | 9.3% |
| Russell 1000 | USD | 22.3% | 1.3% | -2.5% | 48.8% | -0.5% | 12.7% | 12.5% | 17.3% | -0.3% | 12.4% |
| Topix Small Cap | JPY | 22.9% | 12.3% | -2.5% | 24.7% | -10.8% | -14.3% | 23.2% | 19.1% | -8.7% | 29.1% |
| Topix 100 | JPY | 39.0% | 7.3% | 3.3% | 29.6% | -8.1% | -7.3% | 14.5% | 13.9% | -19.0% | 37.4% |

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