Santander Asset Management

Santander GO North American Equity

6 / 2023

Marketing Communication

Fund commentary

Market Overview:

U.S. equities advanced over the month ended 6/30/23, as measured by the S&P 500 Index. All sectors in the index posted gains in the month, led by Consumer Discretionary. Utilities was the bottom performing sector.

Growth stocks modestly underperformed the broad market as cyclical sectors such as industrials, materials and financials performed well in June.

Performance Commentary:

- The portfolio returned 7.61% (gross of fees), while the S&P 500 benchmark returned 6.61%. The portfolio outperformed the benchmark this month largely due to favourable sector allocation and stock selection.

- The largest positive contribution came from the Consumer Discretionary sector, where both stock selection and a sector overweight added to relative performance. Stock selection in Communication Services and Industrials was beneficial, as was the lack of exposure to Consumer Staples and Utilities. Conversely, stock selection in Health Care and Information Technology and an overweight in Communication Services were the main detractors from relative performance. Materials – a sector the portfolio did not own – had a small negative impact on relative performance. The Financials exposure and zero weight allocations to Real Estate and Energy did not have a material effect on relative performance.

- The top contributing holdings in the portfolio, relative to the benchmark, were Uber Technologies, Chewy, and Shopify. Conversely, Cloudflare, Royalty Pharma, and Illumina were the top relative detractors.

Strategy and Outlook:

Counterpoint Global believes having a market outlook can be an anchor. Our focus is on assessing company prospects over a five-year horizon, and owning a portfolio of unique companies with strong, sustainable competitive advantages whose market value we believe can increase significantly for underlying fundamental reasons.