Santander GO North American Equity

6 / 2024

Marketing Communication

Fund commentary

Market Overview:

U.S. equities advanced over the month ended 6/30/24, as measured by the S&P 500 Index. Information Technology, Consumer Discretionary, and Communication Services had positive performance and were the largest outperformers in the index. Utilities, Materials, and Energy declined and were the weakest performing sectors. Growth stocks outperformed the broad market in the month, helped by positive sentiment for technology and artificial intelligence-related stocks.

Performance Commentary:

- The portfolio returned 3.95% (gross of fees), while the S&P 500 benchmark returned 3.59%. The portfolio outperformed the benchmark this month due to favourable sector allocation, which offset the negative impact of stock selection.
- Stock selection in Industrials was the largest contributor to relative performance, followed by stock selection in Communication Services. A lack of exposure to Consumer Staples, Utilities, Energy, and Materials, along with an average overweight to Consumer Discretionary and average underweight to Financials, added to relative performance. Conversely, stock selection in Consumer Discretionary and Health Care were the largest detractors from relative performance. An average underweight in Information Technology dampened relative performance. The portfolio's Real Estate exposure was a small detractor.
- The top contributing holdings in the portfolio, relative to the benchmark, were Cloudflare, Shopify, and Roblox. Conversely, Adyen, Floor & Decor, and MicroStrategy 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.