Santander Asset Management

Marketing Communication

Santander GO North American Equity

1 / 2024

Fund commentary

Market Overview:

U.S. equities advanced over the month ended 1/31/24, as measured by the S&P 500 Index. Communication Services was the top performing sector, while Real Estate was the weakest performer. Growth stocks outperformed the broad market, driven by the strong performance of the "Magnificent Seven" mega-cap technology stocks.

Performance Commentary:

• The portfolio returned -2.12% (gross of fees), while the S&P 500 benchmark returned 1.68%. The portfolio underperformed the benchmark this month largely due to unfavourable stock selection and, to a lesser extent, sector allocations.

• Stock selection in Communication Services was the greatest detractor from relative performance, followed by stock selection in Information Technology and an average overweight in Consumer Discretionary. Stock selection in Financials also dampened relative performance. Conversely, stock selection in Industrials contributed positively, as did an average overweight in Communication Services and stock selection in Consumer Discretionary. Real Estate, Materials, and Utilities – sectors which the portfolio had no exposure to – added relative gains. The portfolio's lack of exposure to Energy and Consumer Staples, along with its health care position, had a neutral impact on relative performance.

• The top contributing holdings in the portfolio, relative to the benchmark, were Uber, MercadoLibre, and Airbnb. Conversely, Telsa, Roblox, and Cloudflare 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.