Santander Asset Management

Santander GO North American Equity

Marketing Communication

9 / 2024

Fund commentary

Market Overview:

U.S. equities advanced over the month ended 9/30/24, as measured by the S&P 500 Index. Consumer Discretionary, Utilities, and Communication Services were the largest outperformers in the index. The weakest performing index sectors were Energy, Health Care, and Financials, all of which had negative performance. Growth stocks underperformed the broad market in the month as performance broadened beyond artificial intelligence-related stocks to a wider swath of the market.

Performance Commentary:

- The portfolio returned 5.23% (gross of fees), while the S&P 500 benchmark returned 2.14%. The portfolio outperformed the benchmark this month due to favourable stock selection and sector allocation.
- Consumer Discretionary was the largest contributor to relative performance, benefiting from both stock selection and an average overweight in the sector. Stock selection in Information Technology and Financials added to relative gains. A lack of exposure to Energy and an average underweight in Health Care were also positive contributors. Conversely, stock selection in Industrials and Communication Services detracted from relative performance, as did a lack of exposure to Utilities. Materials and Consumer Staples – sectors which the portfolio had no exposure to – and Real Estate had a negligible impact on relative performance.
- The top contributing holdings in the portfolio, relative to the benchmark, were Tesla, MicroStrategy, and DoorDash. Conversely, Cloudflare, Royalty Pharma, and Union Pacific 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.