Q1
2022

CORE FIXED INCOME
QUARTERLY COMMENTARY

GLENMEDE
INVESTMENT MANAGEMENT

HIGHLIGHTS

- Bond yields rose significantly higher across the US yield curve in the first quarter of 2022.
- The Glenmede Core Fixed Income strategy ("strategy") slightly outperformed for the quarter versus the Bloomberg Aggregate Index primarily due to our sector weights tilted towards high quality securities and our overall lower exposure to longer dated corporate securities.
- As we enter the second quarter, volatility has increased amid uncertainty over US involvement from the atrocities occurring in Ukraine, and a now less accommodative Federal Reserve.

Bond yields rose significantly higher across the US yield curve in the first quarter of 2022. With the threat of high inflation, economists have assumed multiple Federal Reserve rate hikes within the coming months. Food and energy prices continued to rise in the quarter and average hourly earnings climbed to over 5.5% year over year. Markets seem concerned that the Federal Reserve may be behind in its goal to contain inflation. Investors also are re-assessing risk assets as the war in Ukraine, along with higher oil prices, has caused volatility across most asset classes. The sting of higher yields, higher volatility, and higher inflation caused the bond market to sell off for the first quarter of 2022.

For the quarter, corporate bonds were the worst performing asset class returning -7.69%. With the uncertainty of war and the threat of the Fed raising rates, the longer duration corporates took the brunt of the selling across the curve. Agencies returned -5.40%, treasuries returned -5.58%, and mortgages, with their shorter duration, were the best performing asset class, returned -4.97%. The yield curve flattened dramatically in the first quarter with the two-year treasury rising 160 basis points to yield 2.34%, and the thirty-year treasury rising 54 basis points to yield 2.45%. The yield spread between the two-year treasury and thirty-year treasury closed the quarter at 11 basis points. With our sector weights tilted towards high quality securities and our overall exposure in the intermediate part of the curve, the Core Fixed Income Composite slightly outperformed the benchmark for the quarter returning -5.8%, versus the benchmark, the Bloomberg Barclays Aggregate Index, return of -5.9%.

As we enter the second quarter, volatility has increased amid uncertainty over US involvement in response to the atrocities occurring in Ukraine, and a now less accommodative Federal Reserve. The inflation impact on the US economy looks unclear, and mortgage rates have begun to rise. Some economists are calling for a US economic slowdown later this year. Adhering to our investment process, and with higher volatility and much uncertainty, we will maintain our high quality bias, position our exposure in the short to intermediate part of the curve, and continue to focus on on higher liquidity securities.

CORE FIXED INCOME Composite Performance (%)

As of 3/31/2022	QTD	YTD	1 YEAR	3 YEAR*	5 YEAR*	10 YEAR*	SINCE INCEPTION* (12/31/89)
Glenmede (Gross)	-5.8	-5.8	-4.3	1.3	2.0	2.1	5.6
Glenmede (Net)	-5.8	-5.8	-4.6	1.0	1.6	1.7	5.2
Bloomberg US Aggregate	-5.9	-5.9	-4.2	1.7	2.1	2.2	5.5

**Annualized*

Glenmede Investment Management, LP claims compliance with the Global Investment Performance Standards (GIPS®).

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Past performance is not indicative of future performance and may be lower or higher than the performance quoted. All of the composites' valuations and returns are computed and stated in U.S. Dollars. Additional information regarding the Firm's policies for valuing portfolios, calculating performance and preparing compliant presentations, is available upon request. A GIPS® compliant presentation, as well as a complete list of firm composites and performance, can be requested from Jeffrey Coron at 215.419.6627. Please see the GIPS® presentation for further explanation.

The Core Fixed Income Composite objective is to provide maximum long-term total return consistent with reasonable risk to principal, by investing primarily in mortgage-backed securities and medium-term fixed income securities issued by the U.S. Treasury, U.S. Government agencies, other agencies or debt obligations of domestic companies. The Bloomberg US Aggregate Index is composed of securities from Bloomberg US Government/Corporate Bond Index, Mortgage-Backed Securities Index, and the Asset-Backed Securities Index. Total return comprises price appreciation/depreciation and income as a percentage of the original investment. One cannot invest directly in an index.

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Sources: Glenmede Investment Management, LP, Bloomberg
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