
HIGHLIGHTS

- Bond yields rose significantly higher across the short end of the US yield curve in the first quarter of 2022.
 - The Glenmede Enhanced Cash strategy (“strategy”) underperformed for the quarter versus the ICE BofA 1-3 year US Treasury and Agency Index primarily due to our sector weights tilted towards high quality securities and our overall exposure in 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.
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Bond yields rose significantly higher across the short end of 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, intermediate corporate bonds were the worst performing asset class returning -5.25%. With the uncertainty of war and the threat of the Fed raising rates, the corporate sector took the brunt of the selling across the curve. Intermediate agencies returned -3.96%, intermediate treasuries returned -4.21%, and the mortgage sector returned -4.97%. The short end of the yield curve flattened dramatically in the first quarter with the two-year treasury rising 160 basis points to yield 2.34%, and the five-year treasury rising 120 basis points to yield 2.46%. The yield spread between the two-year treasury and five-year treasury closed at 12 basis points for the quarter. With our sector weights tilted towards high quality securities and our overall exposure higher to longer dated corporate securities, the Enhanced Cash Composite underperformed the benchmark for the quarter returning -2.6% (-2.7% net), versus the benchmark, the ICE BofA 1-3 year US treasury & agency Index, return of -2.3%.

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 higher liquidity securities.

ENHANCED CASH Composite Performance (%)

As of 3/31/2022	QTD	YTD	1 YEAR	3 YEAR*	5 YEAR*	10 YEAR*	SINCE INCEPTION* (12/31/01)
Glenmede (Gross)	-2.6	-2.6	-2.9	0.7	1.1	1.0	2.2
Glenmede (Net)	-2.7	-2.7	-3.2	0.3	0.8	0.6	1.8
ICE BofA Treas/Agency 1 to 3	-2.3	-2.3	-2.8	0.9	1.1	0.9	2.1

*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 Enhanced Cash composite objective is to achieve attractive risk adjusted returns while minimizing risk and seeking price stability during periods of interest rate volatility. The strategy seeks to limit interest rate risk by emphasizing shorter maturities and avoiding exposure to the long end of the market. ICE BofA1 to 3 Year Govt/Agency - 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

The views expressed represent the opinions of the portfolio managers as of March 31, 2022. There can be no assurance that the same factors would result in the same decisions being made in the future. In addition, the views are not intended as a recommendation of any security, sector or product. **Returns reported represent past performance and are not indicative of future results.** Actual performance may be lower or higher than the performance set forth above. For institutional adviser use only, not intended to be shared with retail clients.

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