

---

## HIGHLIGHTS

- Large Capitalization stocks (as represented by the Russell 1000 Index) fell -16.7% during the quarter.
- The Glenmede Quantitative U.S. Large Cap Low Carbon Equity strategy outperformed the Russell 1000 Index by +1.9% (+1.7% net) for the quarter
- The strategy had stock selection outperformance in eight of nine sectors. The most positive relative contributions were in the Information Technology and Health Care sectors. The negative relative contribution was in the Financials sector.

---

The Glenmede Quantitative U.S. Large Cap Low Carbon Equity Composite had a total return for Second Quarter 2022 of -14.8% (-14.9% net). On a relative basis, the Quantitative U.S. Large Cap Low Carbon Equity Composite outperformed the Russell 1000 Index by +1.9% (+1.7% net). The strategy is managed to exclude companies in the Energy and Utilities sectors as well as companies in other sectors with poor industry-adjusted environmental ratings (source: MSCI ESG).

For the Second Quarter 2022, the S&P 500 and Russell 1000 Indexes had total returns of -16.1% and -16.7%, respectively. The year-to-date total return of -20.0% for the S&P 500 was the worst in the first half of a calendar year since 1962. Investors were jolted by surging inflation, Russia's war with Ukraine, and China's lockdowns for COVID. To combat inflation, the Fed aggressively started raising short-term interest rates, including a 75 basis point increase in June (largest since 1994). The 10-year Treasury yield finished the quarter at about 3.0% versus 2.3% at the end of prior quarter. First quarter 2022 earnings reports were better than expected with 77% and 73% of companies in the S&P 500 reporting positive earnings and revenue surprises, respectively. The Russell 1000 Value Index (-12.2%) outperformed the Russell 1000 Growth Index (-20.9%) by about +8.7%. The best performing sectors in the Russell 1000 Index were Consumer Staples (-5.1%) and Energy (-5.2%). The worst performing sectors were Consumer Discretionary (-26.0%) and Information Technology (-21.3%).

For the quarter, the strategy had net positive contributions from multi-factor stock selection models, including biases towards stocks with lower valuations and stronger fundamentals. The strategy was positively impacted from underexposures to four of the five largest growth companies in the Russell 1000 Index. The strategy benefitted from underweightings to companies with negative earnings. The strategy had stock selection outperformance in eight of nine sectors. The most positive relative contributions were in the Information Technology and Health Care sectors. The negative relative contribution was in the Financials sector. No exposure to energy and utility stocks had a negative impact on performance of about -0.8%.

The latest U.S. real GDP estimate for First Quarter was -1.6% versus +6.9% for Fourth Quarter. GDP reflected gains in personal consumption expenditures (+1.8%) and fixed investment (+7.4%). Detractors included imports (+18.9%), exports (-4.8%) and federal spending (-6.8%). Many economists project real GDP growth of 1% to 3% for 2022. We continue to expect favorable corporate earnings growth for the Second Half 2022 supported by high employment and prudent Fed monetary policy. However, high inflation, Russia's invasion of Ukraine and China lockdowns are having significant global economic and financial impacts. Currently, our leading industry group indicators target overweightings in Consumer Discretionary, Communication Services, Materials, Health Care and Energy, and underweightings in Industrials, Information Technology, Consumer Staples and Utilities. We believe this strategy is well positioned with its multifactor approach favoring stocks with cheaper valuations, stronger fundamentals, positive earnings/revenue estimate trends and attractive technicals.

## QUANTITATIVE U.S. LARGE CAP LOW CARBON Composite Performance (%)

As of 6/30/2022	QTD	YTD	1 YEAR	3 YEAR*	5 YEAR*	10 YEAR*	SINCE INCEPTION* (9/30/13)
Glenmede (Gross)	-14.8	-20.0	-13.5	8.1	8.8	n/a	11.7
Glenmede (Net)	-14.9	-20.3	-14.2	7.3	8.0	n/a	10.9
Russell 1000	-16.7	-20.9	-13.0	10.2	11.0	n/a	11.5

\*Annualized

Glenmede Investment Management, LP, a registered Investment Advisor, is an affiliate of The Glenmede Trust Company, NA (GTC). The "Firm" is defined as all investment advisory accounts managed by Glenmede Investment Management LP. Effective January 1, 2007, the Investment Product Management Group of GTC became Glenmede Investment Management, LP. All performance prior to January 1, 2007, shown here as the performance of GIM, was previously reported as the performance of the Investment Product Management Group of the Glenmede Trust Company.

**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 Quantitative U.S. Large Cap Low Carbon Equity Composite objective is to provide maximum long-term return with reasonable risk to principle, by investing in domestic stocks of the Russell 1000 and Standard & Poor's 500 universes and in large cap ADRs excluding those in the Energy or Utilities sectors. Prior to 03/31/2018, this composite was known as the Large Cap Carbon Free Composite. The Russell 1000 Index is an unmanaged, market value weighted index, which measures performance of the largest 1,000 companies in the market. One cannot invest directly in an index.

GIPS® is a registered trademark owned by CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

The views expressed represent the opinions of the portfolio managers as of June 30, 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. Past performance is not indicative of future performance. **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.

Q2  
2022

1650 Market Street, Suite 1200 Philadelphia, PA 19103-7391  
215-419-6662 | gimclientsupport@glenmede.com

[glenmedeim.com](http://glenmedeim.com)

**GLENMEDE**  
INVESTMENT MANAGEMENT