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## HIGHLIGHTS

- Large capitalization stocks (as represented by the Russell 1000 Value Index) rose +4.0% during the quarter.
  - The Glenmede Quantitative U.S. Large Cap Value Equity strategy underperformed with the Russell 1000 Value Index by -2.0% net of fees for the quarter.
  - The strategy had stock selection outperformance in four of eleven sectors. The most positive relative contributions were in the Industrials and Communication Services sectors. The most negative relative contributions were in the Health Care and Consumer Discretionary sectors.
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The Glenmede Quantitative U.S. Large Cap Value Equity Composite had a total return for Second Quarter 2023 of +2.1% (net of fees). On a relative basis, the Quantitative U.S. Large Cap Value Equity Composite underperformed the Russell 1000 Value Index by -2.0%.

For the Second Quarter 2023, the S&P 500 and Russell 1000 Value Indexes had total returns of +8.7% and +4.1%, respectively. Investor sentiment improved with increased optimism on economic growth supported by strength in employment and consumer spending. The Fed raised short-term interest rates by 25 basis points in May and paused in June. First quarter earnings were better than expected with 75% of companies in the Russell 1000 Value Index reporting positive surprises. The Russell 1000 Growth Index (+12.8%) outperformed the Russell 1000 Value Index by about +8.7%. YTD, the Russell 1000 Growth Index (+29.0%) outperformed the Value Index (+5.1%) by +23.9%, the second largest spread in the first half of a year since 1979 (+26.1% in 2020). In the quarter, the best performing sectors in the Russell 1000 Value Index were Communication Services (+11.2%) and Industrials (+8.6%). The worst performing sectors were Utilities (-2.7%) and Energy (-0.8%).

For the quarter, the strategy had net negative contributions from multi-factor stock selection models, including biases towards lower valuations. The strategy was unfavorably impacted from relative underexposures to stocks with higher valuations in the Russell 1000 Value Index. Index constituents with price/earning ratios above 25 outperformed with an average return of +6.6% versus +2.1% for stocks with P/E ratios under 25. The strategy had stock selection outperformance in four of eleven sectors. The most positive relative contributions were in the Industrials and Communication Services sectors. The most negative relative contributions were in the Health Care and Consumer Discretionary sectors. Industry group biases had an unfavorable impact on performance, including underweightings in Information Technology stocks.

The latest U.S. real GDP estimate for First Quarter was +2.0% versus +2.6% for last quarter. The quarter reflected gains in personal consumption expenditures (+4.2%) and federal, state and local spending (+5.0%), and exports (+7.8%). Gross private domestic investment (-11.9%) was a detractor. For full year 2023, many economists project real GDP growth in a range of 0.5% to 2.0% and CPI of 3.5% to 4.5%. We expect corporate earnings and revenue growth of 0% to 3% supported by high employment, declining inflation, and prudent Fed monetary policy. However, Russia and China are having significant global economic and financial impacts. Currently, our leading industry group indicators target overweightings in Consumer Discretionary, Communication Services, Health Care and Energy, and underweightings in Industrials and Utilities. We believe this strategy is well positioned with its multifactor approach favoring stocks with more attractive valuations, high cash flow yield, strong fundamentals, positive earnings/revenue estimate trends and favorable technicals.

## QUANTITATIVE U.S. LARGE CAP VALUE EQUITY Composite Performance (%)

As of 6/30/2023	QTD	YTD	1 YEAR	3 YEAR*	5 YEAR*	10 YEAR*	SINCE INCEPTION* (4/30/15)
Glenmede (Gross)	2.3	2.5	11.8	15.7	7.3	N/A	8.2
Glenmede (Net)	2.1	2.2	11.0	14.9	6.5	N/A	7.4
Russell 1000 Value	4.1	5.1	11.5	14.3	8.1	N/A	7.9

\*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 GIM Client Service at 215.419.6662. Please see the GIPS® presentation for further explanation.

The Glenmede Quantitative U.S. Large Cap Value Equity Composite objective is to provide maximum long-term return with reasonable risk to principle, by investing in domestic stocks of the Russell 1000 Value universe. The Russell 1000 Value Index is an unmanaged, market value weighted index, which measures the performance of those 1,000 largest companies in the Russell 3000 Index with lower price-to-book ratios and lower forecasted growth values. One cannot invest directly in an index.

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