
HIGHLIGHTS

- The Glenmede Quantitative U.S. Long/Short Equity strategy, which targets a net equity exposure of 30%, underperformed its blended benchmark (30% Russell 3000 Index, 70% Barclays 30-month Treasury Bill) during the quarter by -1.7% net of fees.
 - For the quarter, the strategy had net negative contributions from multi-factor stock selection models, including biases towards stocks with lower valuations.
 - The strategy had stock selection outperformance in four of eleven sectors. The most positive relative contributions were in the Financials and Consumer Discretionary sectors. The most negative relative contributions were in the Industrials and Real Estate sectors.
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The Glenmede Quantitative U.S. Long/Short Equity Composite had a total return for the Second Quarter 2023 of +1.7% (net of fees). The Quantitative U.S. Long/Short Equity Composite underperformed a blended mix of 30% Russell 3000 and 70% Barclays 3-Month Treasury Bill Indexes by -1.7%. This strategy is managed to a net equity exposure of about 30%.

For the Second Quarter 2023, the S&P 500 and Russell 3000 Indexes had total returns of +8.7% and +8.4%, 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 67% of companies in the Russell 3000 reporting positive surprises. Investor exuberance about AI boosted demand for large growth stocks. In the quarter, seven companies contributed about 59% (498 basis points) of the total return for the Russell 3000 Index. The average stock in the Index lagged with a total return of +4.1% (equal-weighted). The Russell 3000 Growth Index (+12.5%) outperformed the Russell 3000 Value Index (+4.0%) by about +8.4%. In the quarter, the best performing sectors in the Russell 3000 Index were Information Technology (+16.9%) and Consumer Discretionary (+12.8%). The worst performing sectors were Utilities (-2.7%) and Energy (-0.5%).

For the quarter, the strategy had net negative contributions from multi-factor stock selection models, including biases towards stocks with lower valuations. The strategy was negatively impacted from its relative underexposures to the largest companies in the Russell 3000 Index. The strategy had stock selection outperformance in four of eleven sectors. The most positive relative contributions were in the Financials and Consumer Discretionary sectors. The most negative relative contributions were in the Industrials and Real Estate sectors. Industry group biases had a net negative impact on performance, including underweightings in Information Technology stocks. Long equity positions had a total return of +3.2% versus short positions with a total return of +2.6%.

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. LONG/SHORT EQUITY Composite Performance (%)

As of 6/30/2023	QTD	YTD	1 YEAR	3 YEAR*	5 YEAR*	10 YEAR*	SINCE INCEPTION* (11/30/06)
Glenmede (Gross)	2.0	3.5	8.4	10.8	3.8	5.0	3.9
Glenmede (Net)	1.7	2.9	7.1	9.5	2.5	3.7	2.7
Russell 3000 Index	8.4	16.2	19.0	13.9	11.4	12.3	9.2
30% Russell 3000/ 70% Barclays Capital 3-Month TBill	3.4	6.4	8.6	5.3	4.8	4.5	3.7

*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. Long/Short Equity Composite objective is to use long and short equity positions based on proprietary multi-factor stock ranking models, overlaid with upside and downside risk screens, to achieve long-term capital appreciation consistent with reasonable risk to principal. The Russell 3000 Index is an unmanaged, market value weighted index, which measures total return performance of the 3,000 companies that are largest in the market. One cannot invest directly in an index.

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