

---

## HIGHLIGHTS

- Equity markets (as represented by the S&P 500 Index) fell -3.3% during the quarter.
  - The Glenmede Equity Income strategy underperformed the Russell 1000 Value by -1.3% net of fees and the S&P 500 by -1.4% net of fees
  - For most of the quarter, the market acted as if it believed odds of a soft landing for the economy were increasing. But side effects included increasing odds that both oil prices and interest rates might remain higher for longer.
- 

After hitting a high for the year at the end of July, the S&P 500 Index declined over the balance of the quarter ending on September 30, 2023. It finished with a total return of -3.3% for the period. The Index was still up 13.1% year-to-date, led by the strong performance of a small group of stocks with very large weights within the benchmark. The Russell 1000 Value performed similarly during the quarter, posting a -3.2% return. However, having much less exposure to the largest S&P 500 weights, the Value benchmark was up only 1.8% year-to-date. That performance is in-line with the average stock in the S&P 500, demonstrating how impactful the capitalization weighting has been to index returns this year. Energy was the best performing sector during the quarter, reflecting a strong move up in oil prices. A move higher in interest rates weighed on returns for the Real Estate and Utilities sectors, leading them to be among the weakest sectors in both benchmarks.

The Equity Income strategy returned -4.6% (net) for the quarter, -1.3% behind the Russell 1000 Value and -1.4% behind of the S&P 500. Stock selection within Consumer Staples was a notable detractor for the strategy versus both benchmarks. Relative to the Value benchmark, stock selection in its Information Technology holdings and a lower weighting to the Energy sector also contributed to the underperformance. These were partially offset by better performance from its Health Care and Financials holdings and lack of direct exposure to the Real Estate sector. Versus the S&P 500, the Communication Services sector exposure and performance was the other notable negative for the strategy, somewhat offset by better performance from its Financials and Energy holdings.

For most of the quarter, the market acted as if it believed odds of a soft landing for the economy were increasing. But side effects included increasing odds that both oil prices and interest rates might remain higher for longer. Those concerns generally weighed on stock prices. In a somewhat circular fashion, those same items are beginning to reignite some recession fears. It is unclear how long this push and pull of different macro forces may continue

as the market appears to be grappling with the return to an interest rate environment it has not had to deal with over most of the past 15 years. While the absolute and relative returns for the Equity Income strategy have felt some of these same push and pull impacts this year, we remain confident that it can deliver competitive market returns while mitigating risk over the long term. It will do this not by positioning for any specific economic outcome, but rather by focusing on owning durable businesses that combine appropriate capital allocation with attractive valuations.

## EQUITY INCOME Composite Performance (%)

As of 9/30/2023	QTD	YTD	1 YEAR	3 YEAR*	5 YEAR*	10 YEAR*	SINCE INCEPTION* (12/31/04)
Glenmede (Gross)	-4.4	-0.5	14.7	10.9	8.4	10.5	9.3
Glenmede (Net)	-4.6	-1.1	13.9	10.1	7.6	9.7	8.4
S&P 500 Index	-3.3	13.1	21.6	10.2	9.9	11.9	9.1
Russell 1000 Value Index	-3.2	1.8	14.4	11.1	6.2	8.4	7.1

\*Annualized

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

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

The Equity Income Composite objective is to invest in a diversified portfolio of common and preferred stocks that reward shareholders with dividend income. Companies held in the portfolio will be among industry leaders in dividend yield and possess the ability to raise the payout to shareholders over time. The S&P 500 Index consists of 500 widely held common stocks. This unmanaged index is a total return index with dividends reinvested. 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.

Views expressed include opinions of the portfolio managers as of September 30, 2023, based on the facts then available to them. All facts are gathered in good faith from public sources, but accuracy is not guaranteed. Nothing herein is intended as a recommendation of any security, sector or product. **Returns represent past performance and are not guarantees of future results.** Actual performance in a given account may be lower or higher than what is set forth above. All investment has risk, including risk of loss. Designed for professional and adviser use.

Q3  
2023

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

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

**GLENMEDE**  
INVESTMENT MANAGEMENT