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## HIGHLIGHTS

- Large capitalization stocks (as represented by the Russell 1000 Value Index) fell -3.2% during the quarter.
  - The Glenmede Quantitative U.S. Large Cap Value Equity strategy outperformed with the Russell 1000 Value Index by +1.5% net of fees for the quarter.
  - The strategy had stock selection outperformance in seven of eleven sectors. The most positive relative contributions were in the Energy and Health Care sectors. The most negative relative contributions were in the Utilities and Communication Services.
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The Glenmede Quantitative U.S. Large Cap Value Equity Composite had a total return for Third Quarter 2023 of -1.7% (net). On a relative basis, the Quantitative U.S. Large Cap Value Equity Composite outperformed the Russell 1000 Value Index by +1.5%.

For the Third Quarter 2023, the S&P 500 and Russell 1000 Value Indexes had total returns of -3.3% and -3.2%, respectively. Investor sentiment turned negative after July, impacted by a sharp rise in energy prices, slowing labor growth, UAW strike, government shutdown risk, and hawkish Fed commentary. The Fed raised short-term interest rates by 25 basis points in July and paused in September. The 10-year Treasury yield increased to about 4.6% versus 3.8% at prior quarter end. Second quarter earnings were better than expected with 75% of companies in the Russell 1000 reporting positive surprises. The average stock in the Index had a total return of -4.3% (equal-weighted). The Russell 1000 Growth Index (-3.1%) outperformed the Russell 1000 Value Index (-3.2%). YTD, the Russell 1000 Growth Index (+25.0%) has outperformed the Value Index (+1.8%) by +23.2%, the second largest spread in the first nine months of a year since 1979 (+35.9% in 2020). In the quarter, the best performing sectors in the Russell 1000 Value Index were Energy (+12.3%) and Financials (-0.6%). The worst performing sectors were Consumer Discretionary (-9.3%) and Utilities (-9.2%).

For the quarter, the strategy had net positive contributions from multi-factor stock selection models, including biases towards lower valuations. The strategy was negatively impacted from relative lower market capitalizations versus the Russell 1000 Value Index. The strategy had stock selection outperformance in seven of eleven sectors. The most positive relative contributions were in the Energy and Health Care sectors. The most negative relative contributions were in the Utilities and Communication Services. Industry group biases had a net favorable impact on performance, including overweightings in energy and underweightings in utility stocks.

The latest U.S. real GDP estimate for Second Quarter was +2.1% versus +2.2% for the first quarter. The quarter reflected gains in personal consumption expenditures (+0.8%), gross private direct investment (+5.2%), and federal, state and local spending (+3.3%). Exports (-9.3%) was a detractor. For full year 2023, many economists project real GDP growth in a range of 1.5% to 2.0% and CPI of about 4%. 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, Consumer Staples, Health Care and Communication Services, and underweightings in Industrials, Financials, Information Technology and Utilities. We believe this strategy is well positioned with its multifactor approach favoring stocks with more attractive valuations, high cash flows, strong fundamentals, positive earnings/revenue estimate trends and favorable technicals.

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

As of 9/30/2023	QTD	YTD	1 YEAR	3 YEAR*	5 YEAR*	10 YEAR*	SINCE INCEPTION* (4/30/15)
Glenmede (Gross)	-1.5	1.0	15.2	13.5	6.0	n/a	7.7
Glenmede (Net)	-1.7	0.4	14.3	12.7	5.2	n/a	6.9
Russell 1000 Value	-3.2	1.8	14.4	11.1	6.2	n/a	7.2

\*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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