

# QUANTITATIVE U.S. LARGE CAP VALUE EQUITY QUARTERLY COMMENTARY

## HIGHLIGHTS

- Large capitalization stocks (as represented by the Russell 1000 Value Index) rose +9.0% during the quarter.
- The Glenmede Quantitative U.S. Large Cap Value Equity strategy slightly underperformed with the Russell 1000 Value Index by -0.1% net of fees for the quarter.
- The strategy was negatively impacted from relatively lower market capitalizations versus the Russell 1000 Value Index. The most positive relative contributions were in the Consumer Discretionary and Energy sectors. The most negative relative contributions were in the Health Care and Financials sectors.

The Glenmede Quantitative U.S. Large Cap Value Equity Composite had a total return for First Quarter 2024 of +8.9% (net of fees). On a relative basis, the Quantitative U.S. Large Cap Value Equity Composite slightly underperformed the Russell 1000 Value Index by a relative spread of -0.1%.

For the First Quarter 2024, the S&P 500 and Russell 1000 Value Indexes had total returns of +10.6% and +9.0%, respectively. Equity markets gained in response to higher-than expected real GDP, job growth, positive earnings surprises and AI exuberance. Although the CPI for January and February were slightly above expectations, the PCE was in line. Markets expect three interest rate cuts this year. The 10-Year Treasury yield increased about 0.3% to 4.2% and stock market volatility as measured by the CBOE VIX increased from about 12.5 to 13.0. For Fourth Quarter 2023 results, about 72% of Russell 1000 Value companies reported positive earnings surprises. The average stock (equal-weighted) in the Index underperformed with a total return of +6.4%. The Russell 1000 Growth Index (+11.4%) outperformed the Russell 1000 Value Index by about +2.4%. In the quarter, the best performing sectors in the Russell 1000 Value Index were Energy (+13.8%) and Financials (+13.2%). The worst performing sectors were Real Estate (-0.9%) and Utilities (+5.2%).

For the quarter, the strategy had mixed contributions from multi-factor stock selection models, including biases towards fundamental factors. The strategy had stock selection outperformance in five of eleven sectors. The strategy was negatively impacted from relatively lower market capitalizations versus the Russell 1000 Value

Index. The most positive relative contributions were in the Consumer Discretionary and Energy sectors. The most negative relative contributions were in the Health Care and Financials sectors. Industry group biases had a net negative impact on performance, including overweightings in Consumer Discretionary and underweightings in Financials and Industrials stocks.

The U.S. real GDP estimate for Fourth Quarter was +3.4% versus +4.9% for the Third Quarter. The quarter reflected gains in personal consumption expenditures (+3.3%), government spending (+4.6%), and exports (+5.1%). Imports (+2.2%) was a detractor. For 2024, many economists project real GDP growth in a range of 2% to 3% and CPI of 2% to 3%. We expect positive corporate profit growth of 3% to 5% supported by high employment, declining inflation, and prudent Fed monetary policy. However, geopolitical risks can have significant global economic and financial impacts. Currently, our leading industry group indicators target overweightings in Consumer Discretionary, Materials and Utilities, and underweightings in Industrials, Financials, Communication Services and Consumer Staples. 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 3/31/2024	QTD	YTD	1 YEAR	3 YEAR*	5 YEAR*	10 YEAR*	SINCE INCEPTION* (4/30/15)
Glenmede (Gross)	9.1	9.1	19.8	8.8	11.1	n/a	9.4
Glenmede (Net)	8.9	8.9	18.9	8.0	10.3	n/a	8.6
Russell 1000 Value	9.0	9.0	20.3	8.1	10.3	n/a	8.9

\*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. Net numbers are net of max allowable management fee for this strategy. 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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