

# STRATEGIC EQUITY

## QUARTERLY COMMENTARY

### HIGHLIGHTS

- Equity markets (as represented by the S&P 500 Index) rose +10.6% during the quarter.
- The Glenmede Strategic Equity strategy underperformed the S&P 500 Index by -2.8% net of fees.
- Versus the benchmark, the strategy suffered from the lack of exposure to a few large companies with very strong performance in the Information Technology and Communication Services sectors. This relative performance drag was partially offset by avoiding a larger decline in the Consumer Discretionary sector.

The S&P 500 Index posted its second consecutive double-digit gain during the quarter ending on March 31, 2024, with a total return of 10.6%. Returns were relatively broad-based, although larger stocks continued to lead with the average stock in the Index notching a 7.9% return. By sector, 5 of the 11 groups posted double-digit returns led by Communication Services and Energy. Only Real Estate declined during the period, while Utilities and Consumer Discretionary were also relative laggards. The artificial intelligence secular growth theme remained a tailwind, particularly for a few of the largest Index components. But as in the prior quarter, investors bid up the valuations on a broader swath of stocks as conviction grew that interest rates and inflation may have peaked for the cycle without having to experience a more severe economic recession.

The Strategic Equity strategy returned 7.8% (net) for the quarter, -2.8% behind the S&P 500. Versus the benchmark, the strategy suffered from the lack of exposure to a few large companies with very strong performance in the Information Technology and Communication Services sectors. This relative performance drag was partially offset by avoiding a larger decline in the Consumer Discretionary sector, along with better relative performance from its holdings in the Health Care and Materials sectors. It also had a modest benefit from an underweight exposure to both the Real Estate and Utilities sectors versus the Index. Overall, this placed the strategy's return more in-line with the average stock during the period.

While the market dialed back its 2024 expectations for the degree of easing in monetary policy, it maintained conviction that its direction would remain the same. The belief that would allow for a soft-landing for the economy helped stock valuation levels to move higher again. This has pushed valuations for large cap equities to levels that appear expensive by many metrics. While this does not mean stocks are headed lower, or can't move higher, it does leave them with more potential downside should anything disrupt that benign outcome. While the movement in valuation levels often dominates the shorter-term return from owning equities, stock prices tend to follow earnings and cash flow over the longer-term. The strategy continues to emphasize those latter points. Our focus remains owning a diversified group of high-quality businesses with sustainable advantages that can manage through a variety of economic scenarios and deliver attractive long-term returns to their shareholders.

## STRATEGIC EQUITY Composite Performance (%)

As of 3/31/2024	QTD	YTD	1 YEAR	3 YEAR*	5 YEAR*	10 YEAR*	SINCE INCEPTION* (3/31/04)
Glenmede (Gross)	8.0	8.0	27.7	11.0	13.3	12.7	10.1
Glenmede (Net)	7.8	7.8	26.8	10.2	12.5	11.9	9.3
S&P 500 Index	10.6	10.6	29.9	11.5	15.1	13.0	10.2

\*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. 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 Strategic Equity Composite objective is to achieve above-benchmark long term return, consistent with reasonable risk to principal, by investing in well-managed companies with durable business models, good growth prospects, and attractive valuations. The Standard and Poor's 500 Composite 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.

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