

ENHANCED CASH QUARTERLY COMMENTARY

HIGHLIGHTS

- Short dated bond yields rose higher across the yield curve in the second quarter of 2024.
- The Glenmede Enhanced Cash strategy (“strategy”) outperformed for the quarter versus the ICE BofA 1-3 year US Treasury and Agency Index primarily due to our sector weights tilted towards higher quality and our overall exposure higher to corporate securities.
- As we enter the third quarter, markets will be closely watching economic data to evaluate possible Federal Reserve rate moves.

Short dated bond yields rose higher across the yield curve in the second quarter of 2024. The Federal Reserve Open Market Committee (FOMC) met twice in the quarter and left rates unchanged. The current Fed funds target now stands at 5.25 to 5.50 percent. Fed Chair Powell insists the Committee is firm on achieving inflation levels back to target but has remained hopeful of possibly lowering rates later this year. The consensus among wall street economists seems to predict one, possibly two cuts in 2024. The market remained cautious, fearing higher rates for longer could result in a possible economic slowdown. Volatility remained high.

For the quarter, short and intermediate corporates with their attractive yield profile were the best performers returning 0.7%, short and intermediate treasuries returned 0.58%, mortgages returned 0.1%, and agencies returned 0.3%. The short end of the yield curve steepened in the second quarter, with the two-year treasury higher by 13 basis points to yield 4.8%, and the five-year treasury selling off 16 basis points to yield 4.4%. The yield spread between the two-year treasury and five-year treasury closed the quarter at negative 37 basis points. With our sector weights tilted towards higher quality and our overall exposure higher to corporate securities, the Enhanced Cash Composite outperformed for the quarter returning 1.0% (net), versus the benchmark, the ICE BofA 1-3 year US Treasury & Agency Index, return of 0.9%.

As we enter the third quarter, markets will be closely watching economic data to evaluate possible Federal Reserve rate moves. High inflation remains the primary concern, and the Fed has remained vigilant attempting to lower it back to their 2% target. The potential impact from higher for longer, could slow the economy and possibly lower corporate earnings growth. Most economists are now calling for the soft landing and predicting the Fed to lower rates later this year. Adhering to our investment process, we will maintain liquidity and our high-quality bias. Our positioning will remain in the short to intermediate part of the curve and as long as volatility is high, we will remain close to duration neutral.

ENHANCED CASH Composite Performance (%)

As of 6/30/2024	QTD	YTD	1 YEAR	3 YEAR*	5 YEAR*	10 YEAR*	SINCE INCEPTION* (12/31/01)
Glenmede (Gross)	1.1	1.9	5.0	0.9	1.3	1.4	2.2
Glenmede (Net)	1.0	1.8	4.7	0.6	1.0	1.1	1.8
ICE BofA Treas/Agency 1 to 3	0.9	1.2	4.5	0.4	1.1	1.1	2.0

*Annualized

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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 Enhanced Cash composite objective is to achieve attractive risk adjusted returns while minimizing risk and seeking price stability during periods of interest rate volatility. The strategy seeks to limit interest rate risk by emphasizing shorter maturities and avoiding exposure to the long end of the market. ICE BofA1 to 3 Year Govt/ Agency - total return comprises price appreciation/depreciation and income as a percentage of the original investment. One cannot invest directly in an index.

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Sources: Glenmede Investment Management, LP, Bloomberg

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

glenmedeim.com

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