

QUANTITATIVE U.S. LARGE CAP ENVIRONMENTAL QUARTERLY COMMENTARY

HIGHLIGHTS

- Large Capitalization stocks (as represented by the Russell 1000 Index) rose +3.6% during the quarter.
- The Glenmede Quantitative U.S. Large Cap Environmental Equity strategy underperformed the Russell 1000 Index by -6.4% net of fees for the quarter.
- The strategy had stock selection outperformance in 1 of 11 sectors versus the cap-weighted index. The positive relative contribution was in the Financials sector. The most negative relative contributions were in the Information Technology and Industrials sectors.

The Glenmede Quantitative U.S. Large Cap Environmental Equity Composite had a total return for Second Quarter 2024 of -2.8% (net of fees). On a relative basis, the Quantitative U.S. Large Cap Environmental Equity Composite underperformed the Russell 1000 Index by -6.4%. This strategy is managed to invest in companies with more favorable environmental characteristics and exclude poor environmental ratings.

For the Second Quarter 2024, the S&P 500 and Russell 1000 Indexes had total returns of +4.3% and +3.6%, respectively. Although the capitalization-weighted indexes had positive returns, most US stocks had negative returns. The six largest names contributed about 437 basis points to the total return for the Russell 1000 Index. The outperformance of the cap-weighted index versus the average stock (-3.4%, equal-weighted) of +7.0% was the second largest quarterly spread since 1979 (+9.3% in 1Q 2020). Investor sentiment was mixed in response to hawkish Fed comments, signs of slowing economic growth, positive earnings surprises and AI exuberance. Inflation data continued to improve with core PCE declining to 2.6% (year/year). The 10-Year Treasury yield increased by about 0.2% to 4.4% while stock market volatility as measured by the CBOE VIX decreased from about 13.0 to 12.4. For First Quarter 2024 results, about 77% of Russell 1000 companies reported positive earnings surprises. In the Second Quarter, the Russell 1000 Growth Index (+8.3%) outperformed the Russell 1000 Value Index (-2.2%) by about +10.4%. In the quarter, the best performing sectors in the Russell 1000 Index were Information Technology (+12.8%) and Communication Services (+9.3%). The worst performing sectors were Materials (-5.2%) and Industrials (-3.3%).

For the quarter, the strategy had negative contributions from multi-factor stock selection models, including biases towards lower valuations. The strategy was unfavorably impacted from relative underexposures to the Magnificent 7 and lower market capitalizations versus the Russell 1000 Index. The strategy had stock selection outperformance in 1 of 11 sectors versus the cap-weighted index. The positive relative contribution was in the Financials sector. The most negative relative contributions were in the Information Technology and Industrials sectors. Industry group biases had minor impacts on performance.

The latest U.S. real GDP estimate for First Quarter was +1.4% versus +3.4% for the Fourth Quarter. The quarter reflected gains in personal consumption expenditures (+1.5%), fixed investment (+7.0%), gross government spending (+1.8%), and exports (+1.6%). Imports (+6.1%) was a detractor. For 2024, many economists project real GDP growth in a range of 2.0% to 2.5% and CPI of 3.0% to 3.5%. We expect positive corporate profit growth of 4% to 7% 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, Health Care, Materials and Utilities, and underweightings in Industrials, Financials 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 ENVIRONMENTAL Composite Performance (%)

As of 6/30/2024	QTD	YTD	1 YEAR	3 YEAR*	5 YEAR*	10 YEAR*	SINCE INCEPTION* (12/31/01)
Glenmede (Gross)	-2.6	6.6	16.3	5.2	10.5	10.0	8.7
Glenmede (Net)	-2.8	6.3	15.5	4.4	9.7	9.2	7.9
Russell 1000 Index	3.6	14.2	23.9	8.7	14.6	12.5	9.4

*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 Environmental Equity Composite objective is to provide maximum long-term return with reasonable risk to principal, by investing in domestic stocks of the Russell 1000 and Standard & Poor's 500 universes. The strategy is managed to exclude companies with poor environmental ratings (Per KLD Research). The Russell 1000 Index is an unmanaged, market value weighted index, which measures performance of the largest 1,000 companies in the market. One cannot invest directly in an index.

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