

EQUITY INCOME

QUARTERLY COMMENTARY

HIGHLIGHTS

- Equity markets (as represented by the S&P 500 Index) rose +5.9% during the quarter.
- The Glenmede Equity Income strategy underperformed the Russell 1000 Value by -0.4% net of fees and outperformed the S&P 500 by +3.1% net of fees
- The positive gap to the S&P was primarily due to a lack of exposure to the largest components of that Index. Versus the Value benchmark, relatively positive stock selection attribution in most sectors was largely offset by the weak performance in one of our strategy's Consumer Staples sector holdings during the quarter.

During the quarter ending on September 30, 2024, the S&P 500 Index continued to rise with a total return of 5.9%. The Russell 1000 Value Index experienced an even more robust 9.4% return as positive stock results showed up more broadly than in the prior quarter. Within the Value Index, 6 of the 11 sectors posted double digit gains, led by Utilities and Real Estate. Energy was the only sector with a negative return. The same sectors were also at the top and bottom of the rankings within the S&P 500. The difference in Index performance largely came down to the more mixed returns of the largest stocks in the S&P 500 this quarter. The concentration of that Index in its largest companies (the largest six companies now account for nearly 30% of the Index) mean this variation between indices could continue to be a market feature.

The Equity Income strategy returned 9.0% (net) for the quarter, -0.4% behind the Russell 1000 Value and +3.1% ahead of the S&P 500. The positive gap to the S&P was primarily due to a lack of exposure to the largest components of that Index. Versus the Value benchmark, relatively positive stock selection attribution in most sectors was largely offset by the weak performance in one of its Consumer Staples sector holdings during the quarter. Similarly, underexposure to the Energy sector's weak performance added to the sector allocation performance but was offset by the lack of exposure to the Real Estate sector's strong performance this quarter.

Confidence in an economic soft landing supported by easing monetary policy helped support the market gains this past quarter. But with valuation levels already relatively high versus history and corporate earnings not broadly positioned for a cyclical recovery or rapid growth, there seem to be at least as many risks as opportunities from this point forward. We continue to focus on owning durable businesses that combine appropriate capital allocation with attractive valuations. While more recently the benefits of such a strategy have only evidenced themselves intermittently, we remain confident that the steady compounding of value they provide will continue to deliver competitive market returns while mitigating risk over the longer-term.

EQUITY INCOME Composite Performance (%)

As of 9/30/2024	QTD	YTD	1 YEAR	3 YEAR*	5 YEAR*	10 YEAR*	SINCE INCEPTION* (12/31/04)
Glenmede (Gross)	9.2	12.9	23.1	9.2	11.4	11.0	9.9
Glenmede (Net)	9.0	12.3	22.2	8.4	10.5	10.2	9.1
S&P 500 Index	5.9	22.1	36.4	11.9	16.0	13.4	10.4
Russell 1000 Value Index	9.4	16.7	27.8	9.0	10.7	9.2	8.1

*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 Equity Income Composite objective is to invest in a diversified portfolio of common and preferred stocks that reward shareholders with dividend income. Companies held in the portfolio will be among industry leaders in dividend yield and possess the ability to raise the payout to shareholders over time. The S&P 500 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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