

# DISCIPLINED U.S. EQUITY FAITH-BASED\*

## QUARTERLY COMMENTARY

### HIGHLIGHTS

- Large Capitalization stocks (as represented by the Russell 1000 Index) fell -4.5% during the quarter.
- The Glenmede Disciplined U.S. Equity Faith-Based strategy outperformed the Russell 1000 Index by +0.6% net of fees for the quarter.
- The strategy had stock selection outperformance in 4 of 11 sectors versus the index. The most positive relative contributions were in the Information Technology and Consumer Discretionary sectors. The most negative relative contributions were in the Health Care and Real Estate sectors.

The Glenmede Disciplined U.S. Equity Faith-Based Composite had a total return for First Quarter 2025 of -3.9% (net of fees). On a relative basis, the Composite outperformed the Russell 1000 Index by +0.6%.

For the First Quarter 2025, the S&P 500 and Russell 1000 Indexes had total returns of -4.3% and -4.5%, respectively. Investor sentiment was negative as stagflation risks increased from tariff uncertainty, DOGE, geopolitics, weaker economic and higher inflation data. Stock market volatility as measured by the CBOE VIX increased from about 19.6 to 22.3. The Magnificent 7 underperformed with a combined return of about -9.2%. The average stock (equal-weighted) in the Russell 1000 Index outperformed with a total return of about -3.5%. The Russell 1000 Value Index (+2.1%) outperformed the Russell 1000 Growth Index (-10.0%) by about +12.1%. The best performing sectors in the Russell 1000 Index were Energy (+9.6%) and Health Care (+5.6%). The worst performing sectors were Consumer Discretionary (-13.3%) and Information Technology (-12.8%).

For the Quarter, the strategy had net positive contributions from multi-factor stock selection models, including biases towards lower valuations. Outperforming factors included dividend yield, Price/Earnings, EV/EBITDA, earnings growth, share repurchase, and market size. Underperforming factors included Price/Book, earnings estimate revisions, trading volume/liquidity and price momentum. The strategy benefitted from relative underexposures to the Magnificent 7. In the First Quarter 2025, the strategy had stock selection outperformance in 4 of 11 sectors versus the Index. The most positive relative contributions were in the Information Technology and Consumer Discretionary sectors. The most negative relative contributions were in the Health Care and Real Estate sectors. Industry group biases had net positive impacts on performance, including relative overweightings of Health Care and underweightings of Information Technology stocks.

\*Prior to 12/31/2024, the strategy was known as Glenmede Quantitative U.S. Large Cap Faith-Based Equity.

The latest U.S. real GDP estimate for Fourth Quarter was +2.4% versus +3.1% for the Third Quarter. The Fourth Quarter reflected gains in personal consumption expenditures (+4.0%) and gross government spending (+3.1%). Detractors included gross private domestic investment (-5.6%) and exports (-0.2%). For 2025, many economists project real GDP growth of 0% to 2% and CPI of about 2.5% to 3.5%. We expect positive corporate profit growth supported by high employment, declining inflation, and prudent Fed monetary policy. However, trade tariffs, fiscal policies and geopolitical risks can have significant global economic and financial impacts. Currently, our leading industry group indicators target overweightings in Health Care, Energy, Consumer Discretionary and Real Estate, and underweightings in Consumer Staples, Communication Services, Financials and Utilities. In comparison to last quarter, Consumer Discretionary strengthened with better Gross Profits/Enterprise Value and Price/Sales ratios while Consumer Staples weakened from increasing valuations (relative Price/Book), decreasing relative earnings growth, and higher home prices. Both Industrials and Information Technology improved to neutral target weightings. Industrials strengthened from increasing global industrial production (Japan), lower valuations (Price/Book), and improved earnings estimate revisions. Information Technology strengthened from decreased valuations (Price/Sales) and better relative liquidity. 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.

*The "Magnificent 7" stocks are a group of high-performing and influential companies in the U.S. stock market. The list includes: Apple, Microsoft, Amazon, Alphabet (Google), Tesla and Nvidia.*

## DISCIPLINED U.S. EQUITY FAITH-BASED Composite Performance (%)

As of 3/31/2025	QTD	YTD	1 YEAR	3 YEAR*	5 YEAR*	10 YEAR*	SINCE INCEPTION* (6/30/08)
Glenmede (Gross)	-3.7	-3.7	1.9	7.3	18.1	10.2	10.2
Glenmede (Net)	-3.9	-3.9	1.1	6.5	17.2	9.4	9.4
Russell 1000 Index	-4.5	-4.5	7.8	8.7	18.5	12.2	11.3

\*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 Disciplined U.S. Equity Faith-Based Composite objective is to provide maximum long-term return with reasonable risk to principle, by investing in domestic stocks of the Russell 1000 and Standard & Poor’s 500 universes, excluding those companies and sectors requested by certain religiously-motivated values investors; including, in particular, entities informed by the principles of Christian Science and Roman Catholicism. 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. Prior to 12/31/2024, the strategy was known as Glenmede Quantitative U.S. Large Cap Faith-Based Equity.

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