

An abstract background image consisting of a complex, three-dimensional geometric pattern of triangles and polygons in shades of gray, creating a sense of depth and texture.

DISCIPLINED U.S. GROWTH EQUITY*

QUARTERLY COMMENTARY

HIGHLIGHTS

- Large Cap Growth stocks (as represented by the Russell 1000 Growth Index) fell -10.0% during the quarter.
- The Glenmede Disciplined U.S. Growth Equity strategy outperformed the Russell 1000 Growth Index by +3.3% net of fees for the quarter.
- The strategy had stock selection outperformance in 5 of 10 sectors versus the index. The most positive relative contributions were in the Information Technology and Communication Services sectors. The most negative relative contributions were in the Health Care and Energy sectors.

The Glenmede Disciplined U.S. Growth Equity Composite had a total return for First Quarter 2025 of -6.7% (net of fees). The Composite outperformed the Russell 1000 Growth Index with a spread of about +3.3%.

For the First Quarter 2025, S&P 500 and Russell 1000 Growth Indexes had total returns of -4.3% and -10.0%, respectively. Investor sentiment turned 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 Growth Index had a total return of about -6.1%. The Russell 1000 Value Index (+2.1%) outperformed the Russell 1000 Growth Index by about +12.1%. The best performing sectors in the Russell 1000 Growth Index were Energy (+11.9%) and Real Estate (+8.7%). The worst performing sectors were Consumer Discretionary (-16.0%) and Information Technology (-14.0%).

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, return on equity, 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. For fourth quarter earnings, about 84% of the portfolio holdings reported positive EPS surprises versus about 73% of Russell 1000 Growth constituents. In the First Quarter 2025, the strategy had stock selection outperformance in 5 of 10 sectors versus the Index. The most positive relative contributions were in the Information Technology and Communication Services sectors. The most negative relative contributions were in the Health Care and Energy sectors. Industry group biases had net positive impacts on performance, including relative overweightings of Health Care stocks.

*Prior to 12/31/2024, the strategy was known as Glenmede Quantitative U.S. Large Cap Growth 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 Seven" 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. Growth Equity Composite Performance (%)

As of 3/31/2025	QTD	YTD	1 YEAR	3 YEAR*	5 YEAR*	10 YEAR*	SINCE INCEPTION* (12/31/02)
Glenmede (Gross)	-6.5	-6.5	3.0	8.3	18.2	12.9	12.7
Glenmede (Net)	-6.7	-6.7	2.3	7.4	17.3	12.1	11.9
Russell 1000 Growth	-10.0	-10.0	7.8	10.1	20.1	15.1	12.3

*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. Growth Equity Composite objective is to provide maximum long-term return with reasonable risk to principal, by investing in domestic stocks of the Russell 1000 Growth universe. The Russell 1000 Growth Index is an unmanaged, market value weighted index, which measures performance of the largest 1,000 companies in the market. Returns include the reinvestment of dividends and other income. One cannot invest directly in an index. **Prior to 12/31/2024, the strategy was known as Glenmede Quantitative U.S. Large Cap Growth Equity.**

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