

DISCIPLINED U.S. VALUE EQUITY*

QUARTERLY COMMENTARY

HIGHLIGHTS

- Large capitalization stocks (as represented by the Russell 1000 Value Index) rose +2.1% during the quarter.
- The Glenmede Disciplined U.S. Value Equity strategy underperformed the Russell 1000 Value Index by -1.8% net of fees for the quarter.
- The strategy had stock selection outperformance in 2 of 11 sectors versus the index. The positive relative contributions were in the Utilities and Communication Services sectors. The most negative relative contributions were in the Industrials and Financials sectors.

The Glenmede Disciplined U.S. Value Equity Composite had a total return for First Quarter 2025 of +0.3% (net of fees). On a relative basis, the Disciplined U.S. Value Equity Composite underperformed the Russell 1000 Value Index by -1.8%.

For the First Quarter 2025, the S&P 500 and Russell 1000 Value Indexes had total returns of -4.3% and +2.1%, 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 average stock (equal-weighted) in the Russell 1000 Value Index underperformed with a total return of about -2.7%. The Russell 1000 Value Index outperformed the Russell 1000 Growth Index (-10.0%) by about +12.1%. The best performing sectors in the Russell 1000 Index were Energy (+9.5%) and Communication Services (+7.0%). The worst performing sectors were Information Technology (-5.7%) and Consumer Discretionary (-4.7%).

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. For fourth quarter earnings, about 76% of the portfolio holdings reported positive EPS surprises versus about 75% of Russell 1000 Value constituents. In the First Quarter 2025, the strategy had stock selection outperformance in 2 of 11 sectors versus the Index. The positive relative contributions were in the Utilities and Communication Services sectors. The most negative relative contributions were in the Industrials and Financials 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 Value 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.

Disciplined U.S. Value Equity Composite Performance (%)

As of 3/31/2025	QTD	YTD	1 YEAR	3 YEAR*	5 YEAR*	10 YEAR*	SINCE INCEPTION* (4/30/15)
Glenmede (Gross)	0.5	0.5	3.6	5.4	17.4	n/a	8.8
Glenmede (Net)	0.3	0.3	2.8	4.6	16.6	n/a	8.0
Russell 1000 Value	2.1	2.1	7.2	6.6	16.1	n/a	8.8

*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. Value Equity Composite objective is to provide maximum long-term return with reasonable risk to principal, by investing in domestic stocks of the Russell 1000 Value universe. The Russell 1000 Value Index is an unmanaged, market value weighted index, which measures the performance of those 1,000 largest companies in the Russell 3000 Index with lower price-to-book ratios and lower forecasted growth values. One cannot invest directly in an index. Prior to 12/31/2024, the strategy was known as Glenmede Quantitative U.S. Large Cap Value Equity.

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