

DISCIPLINED U.S. SMALL CAP EQUITY*

QUARTERLY COMMENTARY

HIGHLIGHTS

- Small Capitalization stocks (as represented by the Russell 2000 Index) fell -9.5% during the quarter.
- The Glenmede Disciplined U.S. Small Cap Equity strategy underperformed the Russell 2000 Index by -1.2% 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 Energy sectors. The most negative relative contributions were in the Health Care and Consumer Discretionary sectors.

The Glenmede Disciplined U.S. Small Cap Equity Composite had a total return for First Quarter 2025 of -10.7% (net of fees). On a relative basis, the Disciplined U.S. Small Cap Equity Composite underperformed the Russell 2000 Index by -1.2%.

For the First Quarter 2025, the S&P 500 and Russell 2000 Indexes had total returns of -4.3% and -9.5%, 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 Russell 2000 Value Index (-7.7%) outperformed the Russell 2000 Growth Index (-11.1%) by about +3.4%. The best performing sectors in the Russell 2000 Index were Utilities (+5.3%) and Consumer Staples (-0.1%). The worst performing sectors were Information Technology (-18.5%) and Consumer Discretionary (-14.9%).

For the Quarter, the strategy had net positive contributions from multi-factor stock selection models, including biases towards lower valuations and more positive fundamental factors. The strategy had net positive contributions from multi-factor stock selection models, including biases towards lower valuations. Outperforming factors included dividend yield, Price/Earnings, P/Sales, earnings growth, share repurchase, and market size. Underperforming factors included interest coverage and trading volume/liquidity. The strategy was negatively impacted by lower relative market capitalizations versus the Russell 2000 Index. The average stock (equal-weighted) in the Russell 2000 Index underperformed with a total return of about -11.9%. For fourth quarter earnings, about 73% of the portfolio holdings reported positive EPS surprises versus about 62% of Russell 2000 constituents. 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 Energy sectors. The most negative relative contributions were in the Health Care and Consumer Discretionary sectors.

*Prior to 12/31/2024, the strategy was known as Glenmede Quantitative U.S. Small Cap Equity.

and Consumer Discretionary sectors. Industry group biases had net negative impacts on performance, including relative overweightings of Consumer Discretionary and underweightings of Consumer Staples and Financials stocks.

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. Small Cap Equity Composite Performance (%)

As of 3/31/2025	QTD	YTD	1 YEAR	3 YEAR*	5 YEAR*	10 YEAR*	SINCE INCEPTION* (11/30/17)
Glenmede (Gross)	-10.5	-10.5	-8.0	5.4	19.5	n/a	8.2
Glenmede (Net)	-10.7	-10.7	-8.9	4.3	18.3	n/a	7.2
Russell 2000 Index	-9.5	-9.5	-4.0	0.5	13.3	n/a	5.1

*Annualized

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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. Small Cap Equity Composite objective is to provide maximum long-term return with reasonable risk to principal, by investing in domestic stocks of the Russell 2000 universe. The Russell 2000 Index is an unmanaged, market value weighted index, which measures performance of the 2,000 companies that are between the 1,000th and 3,000th largest in the market. One cannot invest directly in an index. Prior to 12/31/2024, the strategy was known as Glenmede Quantitative U.S. Small Cap Equity.

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