



## SMALL CAP EQUITY QUARTERLY COMMENTARY

### HIGHLIGHTS

- Small Capitalization stocks (as represented by the Russell 2000 Index) rose 8.5% during the quarter.
- The Glenmede Small Cap Equity strategy underperformed the Russell 2000 by -6.4% net of fees.
- From a sector perspective, Health Care and Information Technology were areas of weakness, while Financials was a bright spot for the strategy.

The small cap market, as defined by the Russell 2000 Index, returned 8.5% for the second quarter of 2025. The benchmark's best performing sectors during the quarter were the Industrials and Information Technology sectors. Following a sharp tariff related sell off to start the quarter, investor risk appetite returned, and speculative AI related businesses were rewarded. At the other end of the spectrum, the Real Estate sector was the worst performer in the benchmark during Q2. Investors shunned the traditionally defensive sector as the initial tariff related shock subsided and risk aversion abated throughout the quarter.

The strategy returned 2.1% (1.8% net) for the second quarter, which was an underperformance of -6.4% on a gross of fee basis relative to the Russell 2000 Index. From a sector perspective, Health Care and Information Technology were areas of weakness, while Financials was a bright spot for the strategy.

The strategy's Health Care sector detracted -2.5% on an attribution basis for the quarter, driven by poor stock selection. Our holdings within the Pharmaceuticals, Biotechnology, and Life Sciences industry groups declined as investors penalized companies that were perceived to be uncertain future growth prospects. Additionally, our holdings in the Health Care Equipment & Services industry underperformed as company specific turnaround efforts remain challenging.

The strategy's Information Technology sector was down -1.4% relative to the benchmark on an attribution basis. Our decision to avoid the speculative quantum computing and AI related companies in the Software & Service industry group led to a drag on performance relative to the benchmark.

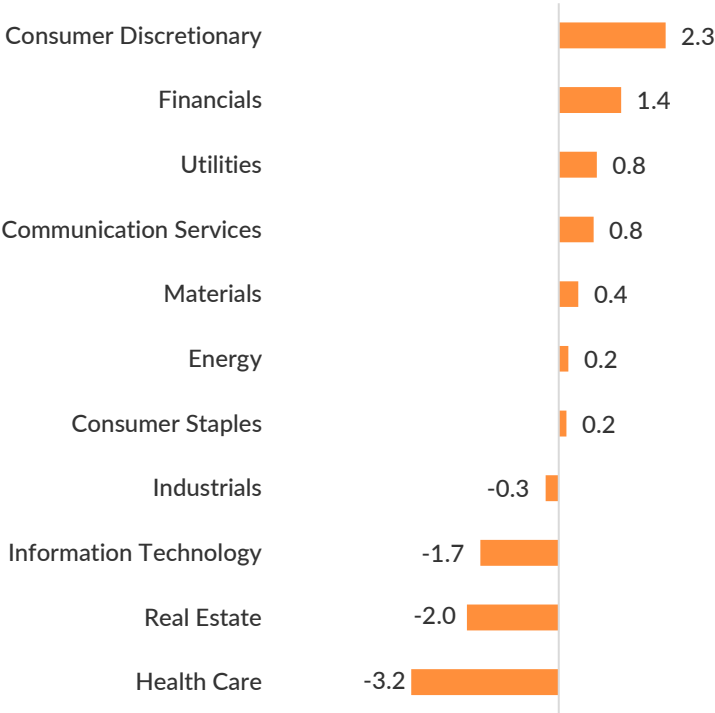
The strategy's Financials sector added 0.6% relative to the benchmark on an attribution basis driven by strong stock selection. In a reversal from Q1, the strategy's holdings in the Financial Services industry were rewarded as investors came around to the view that tariffs would not hold back investment banking and capital market-related activities.

During the second quarter, macroeconomic considerations such as tariffs, potential interest rate cuts by the Federal Reserve, and the likelihood of passage of a complicated budget bill dictated positioning. While these policy actions may increase market volatility, our view is that the economy remains on a sounder footing than current consensus and that a return to a zero-interest rate policy is unlikely. An investment environment in which interest rates stabilize at a higher level may lead to an increased focus on corporate capital allocation. Our strategy's focus on investing in higher-quality companies trading at attractive valuations with company-specific catalysts should be rewarded.

GLENMEDE'S SMALL CAP SECTOR WEIGHT POSITIONING  
AS OF JUNE 30, 2025

We believe the US economy will experience uneven growth in the coming quarters  
**DRIVERS:** Corporate spending and organic consumer demand  
**RISKS:** Credit Risk, Federal Reserve policy mistake, and geopolitical events

Glenmede Small Cap Equity vs. Russell 2000 Index  
Sector group difference (%)



Source: FactSet  
Data as of 6/30/2025

The views expressed represent the opinions of the portfolio managers as of June 30, 2025. There can be no assurance that the same factors would result in the same decisions being made in the future. In addition, the views are not intended as a recommendation of any security, sector or product. **Returns reported represent past performance and are not indicative of future results.** Actual performance may be lower or higher than the performance set forth above. 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. For institutional adviser use only, not intended to be shared with retail clients.

## SMALL CAP EQUITY Composite Performance (%)

As of 6/30/2025	QTD	YTD	1 YEAR	3 YEAR*	5 YEAR*	10 YEAR*	SINCE INCEPTION* (3/31/91)
Glenmede (Gross)	2.1	-8.5	-1.9	7.8	14.3	8.0	10.8
Glenmede (Net)	1.8	-8.9	-2.9	6.8	13.1	7.0	9.9
Russell 2000 Index	8.5	-1.8	7.7	10.0	10.0	7.1	9.2

\*Annualized

Glenmede Investment Management, LP claims compliance with the Global Investment Performance Standards (GIPS®).

Glenmede Investment Management, LP, a registered Investment Advisor, is an affiliate of The Glenmede Trust Company, NA (GTC). The "Firm" is defined as all investment advisory accounts managed by Glenmede Investment Management LP. Effective January 1, 2007, the Investment Product Management Group of GTC became Glenmede Investment Management, LP. All performance prior to January 1, 2007, shown here as the performance of GIM, was previously reported as the performance of the Investment Product Management Group of the Glenmede Trust Company.

**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 Small Cap Equity Composite objective is to provide maximum long-term total return consistent with reasonable risk to principal, by investing primarily in common stocks with market capitalization at the time of purchase less than the maximum capitalization permitted for a stock in the Russell 2000 Index. 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.

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