

LONG/SHORT EQUITY

QUARTERLY COMMENTARY

HIGHLIGHTS

- The Glenmede Long/Short Equity strategy, which targets a net equity exposure of 30%, outperformed its blended benchmark (30% Russell 3000 Index, 70% Barclays 30-month Treasury Bill) during the quarter by +0.5% net of fees.
- For the Second Quarter, the strategy had net negative contributions from multi-factor stock selection models, including biases towards lower valuations.
- The long positions had stock selection outperformance in 5 of 11 sectors versus the index. The most positive relative contributions were in the Industrials and Consumer Discretionary sectors. The most negative relative contributions were in the Information Technology and Health Care sectors.

The Glenmede Long/Short Equity Composite had a total return for the Third Quarter 2025 of +3.7% (net of fees). The Long/Short Equity Composite outperformed a blended mix of 30% Russell 3000 and 70% Barclays 3-Month Treasury Bill Indexes by a spread of about +0.5%. This strategy is managed to a net equity exposure of about 30%.

For the Third Quarter 2025, S&P 500 and Russell 3000 Indexes had total returns of +8.1% and +8.2%, respectively. Many U.S. equity indexes reached record highs, boosted by investor exuberance in AI related stocks, progress in tariff negotiations, and better-than-expected economic growth. The Fed initiated an expected interest rate cut in September. About 70% of Russell 3000 companies reported positive earnings surprises for the second quarter. Stock market volatility as measured by the CBOE VIX decreased from about 16.7 to 16.3. Five names (AAPL, NVDA, GOOG, GOOGL, TSLA and AVGO) contributed about 56% (456 bps) of the total return for the Russell 3000 Index. The Russell 3000 Growth Index (+10.4%) outperformed the Russell 3000 Value Index (+5.6%) by about +4.8%. The best performing sectors in the Russell 3000 Index were Information Technology (+13.1% return) and Communication Services (+11.8% return). The worst performing sectors were Consumer Staples (-2.5% return) and Real Estate (+3.5% return).

For the Third Quarter, the strategy had net negative contributions from multi-factor stock selection models. Outperforming factors included earnings growth, earnings estimate revisions and trading volume/liquidity. Underperforming factors included dividend yield, price/earnings, price/cash flow and share repurchase. The strategy was negatively impacted from relative underexposures to the Magnificent 7 versus the Russell 3000 Index. For Second Quarter earnings, about 89% of the portfolio long positions reported positive EPS surprises. The long positions had stock selection outperformance in 5 of 11 sectors versus the index. The most positive relative contributions were in the Industrials and Consumer Discretionary sectors. The most negative relative contributions were in the Information Technology and Health Care sectors. Industry group biases had minor impacts on performance, including relative overweightings in Information Technology and underweightings in Communication Services stocks. Long equity positions with a total return of +6.4% outperformed the short positions with a total return of +4.1%.

The latest estimate of U.S. real GDP for Second Quarter increased to +3.8% versus -0.6% for the First Quarter. The Second Quarter reflected gains in personal consumption expenditures (+2.5%) and a sharp decline in imports (-29.3%). Detractors included gross investment (-13.8%), exports (-1.8%) and federal nondefense spending (-13.0%). For full years 2025 and 2026, many economists project real GDP growth of +1% to +2% and CPI of about 2.5% to 3.5%, respectively. We expect positive corporate profit growth supported by increased productivity, consumer spending, relatively stable inflation, and prudent Fed monetary policy. However, trade tariffs, a prolonged government shutdown, fiscal policies and geopolitical risks can have significant global economic and financial impacts. Currently, our leading industry group indicators target overweightings in Health Care, Real Estate, Energy and Materials, and underweightings in Communication Services, Consumer Staples, Financials and Consumer Discretionary. In comparison to last quarter, Consumer Discretionary decreased from a modest overweight to a modest underweight (Retail and Durables). For Retail, dividend yield and P/E/G ratios weakened relative to the market, while inventory/sales ratios of nonmanufacturers increased. For Durables, price/sales and gross profits/enterprise value deteriorated on a relative basis. Consumer Staples (Household and Personal Products) turned less negative to a modest underweight with relative improvements in price/book ratios and more positive EPS estimate revisions (Fiscal Year 2). Information Technology (Software and Hardware) decreased to neutral. For Software, Return on Equity, P/E/G ratios, and Free Cash Flow margins deteriorated on a relative basis. For Hardware, gross profitability and taxes paid/market value declined relative to the market. Utilities improved to neutral with increases in the CPI for services and consumer confidence. 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.

¹The "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.

LONG/SHORT EQUITY Composite Performance (%)

As of 9/30/2025	QTD	YTD	1 YEAR	3 YEAR*	5 YEAR*	10 YEAR*	SINCE INCEPTION* (11/30/06)
Glenmede (Gross)	4.0	9.3	13.0	11.9	11.6	6.4	4.8
Glenmede (Net)	3.7	8.2	11.6	10.6	10.2	5.1	3.5
Russell 3000 Index	8.2	14.4	17.4	24.1	15.7	14.7	10.5
30% Russell 3000/70% Barclays Capital 3-Month TBill	3.2	6.7	8.5	10.6	7.0	6.0	4.4

*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 gimclientservices@glenmede.com. Please see the GIPS® presentation for further explanation.

The Glenmede Long/Short Equity Composite objective is to use long and short equity positions based on proprietary multi-factor stock ranking models, overlaid with upside and downside risk screens, to achieve long-term capital appreciation consistent with reasonable risk to principal. The Russell 3000 Index is an unmanaged, market value weighted index, which measures total return performance of the 3,000 companies that are 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. Long/Short Equity.**

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