

# DISCIPLINED U.S. VALUE EQUITY

## QUARTERLY COMMENTARY

### HIGHLIGHTS

- Large capitalization stocks (as represented by the Russell 1000 Value Index) rose +3.8% during the quarter.
- The Glenmede Disciplined U.S. Value Equity strategy outperformed the Russell 1000 Value Index by +0.3% net of fees for the quarter.
- The strategy had stock selection outperformance in 5 of 11 sectors versus the index. The most positive relative contributions were in the Health Care and Materials sectors. The most negative relative contributions were in the Consumer Staples and Information Technology sectors.

The Glenmede Disciplined U.S. Value Equity Composite had a total return for Fourth Quarter 2025 of +4.1% (net of fees). On a relative basis, the Disciplined U.S. Value Equity Composite outperformed the Russell 1000 Value Index by a spread of about +0.3%.

For the Fourth Quarter 2025, S&P 500 and Russell 1000 Value Indexes had total returns of +2.7% and +3.8%, respectively. The benchmark indexes reached new record highs, boosted by better-than-expected economic growth, strong corporate earnings, progress in tariff negotiations and two Fed rate cuts. About 80% of Russell 1000 Value companies reported positive earnings surprises for the Third Quarter. Stock market volatility as measured by the CBOE VIX decreased from about 16.3 to 15.0. Alphabet shares (GOOG, GOOGL) contributed about 96 basis points of the total return for the Russell 1000 Value Index. The Russell 1000 Value Index outperformed the Russell 1000 Growth Index (+1.1%) by about +2.7%. The best performing sectors in the Russell 1000 Value Index were Information Technology (+11.0%) and Communications Services (+8.4%). The worst performing sectors were Real Estate (-2.5%) and Utilities (-0.7%).

For the Fourth Quarter, the strategy had mixed contributions from multi-factor stock selection models. Outperforming factors included price/book, price/earnings/growth, price/sales, share repurchase, earnings estimate revisions and trading volume/liquidity. Underperforming factors included price momentum (12-M), earnings growth, interest coverage and return on equity. The strategy was negatively impacted from relatively lower market capitalizations versus the Russell 1000 Value Index. For Third Quarter earnings, about 92% of the portfolio holdings reported positive EPS surprises. In the Fourth Quarter 2025, the strategy had stock selection outperformance in 5 of 11 sectors versus the index. The most positive relative contributions were in the Health Care and Materials sectors. The most negative relative contributions were in the Consumer Staples and Information Technology sectors. Industry group biases had net positive impacts on performance, including relative overweightings of Information Technology and underweightings of Consumer Staples stocks.

The initial estimate of U.S. real GDP for Third Quarter was +4.3% versus +3.8% for the Second Quarter. The Fourth Quarter reflected gains in personal consumption expenditures (+3.5%), federal defense expenditures (+5.8%), exports (+8.8%) and decline in imports (-4.7%). Detractors included gross investment (-0.3%) and federal nondefense spending (-1.1%). For 2026, many economists project real GDP growth of +1.5% to +2.5% 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, another 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, Financials and Consumer Discretionary. In comparison to last quarter, the relative performance of defensive sectors may benefit from weakness in industrial materials (FIBER index) and stagnating home prices. Consumer Staples improved from a modest underweight to neutral with relatively better call transcript sentiment, earnings estimate revisions and lower valuations, Communications Services improved from a strong to moderate underweight, benefitting from relatively lower capital expenditures for telecommunications companies, better earnings quality and profitability in media. Financials remained modestly underweight with banks weakening on lower building permits and inflating valuations (book/price with intangibles, dividend yield), while insurance improved based on better proprietors' income for private enterprises and relative dividend yield. 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 12/31/2025   | QTD | YTD  | 1 YEAR | 3 YEAR* | 5 YEAR* | 10 YEAR* | SINCE<br>INCEPTION*<br>(4/30/15) |
|--------------------|-----|------|--------|---------|---------|----------|----------------------------------|
| Glenmede (Gross)   | 4.3 | 15.9 | 15.9   | 12.7    | 12.1    | 10.7     | 9.6                              |
| Glenmede (Net)     | 4.1 | 15.0 | 15.0   | 11.9    | 11.2    | 9.9      | 8.8                              |
| Russell 1000 Value | 3.8 | 15.9 | 15.9   | 13.9    | 11.3    | 10.5     | 9.4                              |

\*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](mailto:gimclientservices@glenmede.com). 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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