



SMID CAP EQUITY QUARTERLY COMMENTARY

HIGHLIGHTS

- SMID capitalization stocks (as represented by the Russell 2500 Index) rose +2.2% during the quarter.
- The Glenmede SMID Cap Equity strategy underperformed the Russell 2500 Index by -1.4% net of fees for the quarter.
- From a sector perspective, Consumer Staples and Financials were areas of weakness, while Consumer Discretionary was a bright spot for the strategy.

The SMID cap market, as defined by the Russell 2500 Index, returned +2.2% for the fourth quarter of 2025. The benchmark's best performing sectors during the quarter were the Health Care and Communication Services sectors. The Health Care sector was driven higher by the more speculative names within the Biotechnology and Pharmaceuticals industry groups, while the Communication Services sector was driven higher by strength in the Telecom space. At the other end of the spectrum, the Consumer Staples sector was the worst performer in the benchmark during Q4. Stocks in the traditionally defensive sector were shunned as investor risk appetite increased throughout the quarter.

The portfolio returned +1.1% (+0.8% net) for the fourth quarter, which was an underperformance of -1.4% on a net of fee basis relative to the Russell 2500 Index. From a sector perspective, Consumer Staples and Financials were areas of weakness, while Consumer Discretionary was a bright spot for the strategy.

The portfolio's Consumer Staples sector was down -1.1% relative to the benchmark on an attribution basis. Stock selection within the sector led to the underperformance, as our grocery holding lowered their guidance, leading investors to continue to question the turnaround that the new management team has outlined.

The portfolio's Financials sector detracted -0.9% on an attribution basis for the quarter, driven by poor stock selection. Two of our holdings within the sector drove the bulk of the underperformance. They both reported disappointing earnings and investors continue to worry that both businesses are in secular decline.

The portfolio's Consumer Discretionary sector added 1.5% relative to the benchmark on an attribution basis driven by strong stock selection. Our holding within the Leisure Products space posted strong earnings, driven by robust consumer demand and optimism about international expansion.

During the fourth quarter, macroeconomic data points for employment and inflation dictated positioning, as investors wagered on the likelihood, size, and timing of interest rate cuts by the Federal Reserve. While these policy actions may increase market volatility and speculative investments, 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.

SMID Cap Equity Composite Performance (%)

As of 12/31/2025	QTD	YTD	1 YEAR	3 YEAR*	5 YEAR*	10 YEAR*	SINCE INCEPTION* (12/31/21)
Glenmede (Gross)	1.1	2.6	2.6	11.0	n/a	n/a	6.1
Glenmede (Net)	0.8	1.6	1.6	10.0	n/a	n/a	5.1
Russell 2500 Index	2.2	11.9	11.9	13.7	n/a	n/a	4.7

*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 SMID 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 2500 Index. The Russell 2500 is a market-cap-weighted Index that includes the smallest 2,500 companies covered in the broad-based Russell 3000 sphere of United States-based listed equities. All 2,500 of the companies included in the Index cover the small- and mid-cap market capitalizations. This unmanaged Index is a total return index with dividends reinvested. One cannot invest directly in an index.

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