GLENMEDE
INVESTMENT MANAGEMENT

Q1 2026

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 +3.2% net of fees.
- For the First Quarter, the strategy had mixed contributions from multi-factor stock selection models.
- The strategy had stock selection outperformance in 7 of 11 sectors versus the index. The most positive relative contributions were in the Information Technology and Financials sectors. The most negative relative contributions were in the Energy and Consumer Staples sectors.

The Glenmede Long/Short Equity Composite had a total return for the First Quarter 2026 of +2.7% (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 +3.2%. This strategy is managed to a net equity exposure of about 30%.

For the First Quarter 2026, S&P 500 and Russell 3000 Indexes had total returns of -4.3% and -4.0%, respectively. Investor sentiment turned sharply negative from the onslaught of war with Iran and the surge in oil prices above $100/bbl. Stock market volatility as measured by the CBOE VIX jumped from about 15 to over 25. In February, the Supreme Court ruled against President Trump's use of tariffs as an emergency power. For Fourth Quarter earnings, about 66% of Russell 3000 companies reported positive earnings surprises versus about 70% for the prior quarter. In the First Quarter, technology related companies were impacted by AI disruption fears. The Magnificent 7 had a combined return of -11.3% and detracted about 340 bps from the total return of the Russell 3000 Index. The Russell 3000 Value Index (+2.2% return) outperformed the Russell 3000 Growth Index (-9.5% return) by about +11.8%. The best performing sectors in the Russell 3000 Index were Energy (+38.4%) and Materials (+9.5%). The worst performing sectors were Consumer Discretionary (-9.1%) and Information Technology (-9.1%).

For the First Quarter, the strategy had mixed contributions from multi-factor stock selection models. Outperforming factors included dividend yield, EV/EBITDA, price/book, share repurchase and price momentum (12-month). Underperforming factors included price/cash flow, earnings growth, earnings estimate revisions, trading/volume/liquidity, and price momentum (long reversion). The strategy was positively impacted from relative underexposures to the Magnificent 7 and lower market capitalizations versus the Russell 3000 Index. For Fourth Quarter earnings, about 83% of the long positions reported positive EPS surprises. In the First Quarter 2026, the strategy had stock selection outperformance in 7 of 11 sectors versus the index. The most positive relative contributions were in the Information Technology and Financials sectors. The most negative relative contributions were in the Energy and Consumer Staples sectors. Industry group biases had net positive impacts on performance, including relative overweightings of Energy and Materials, and underweightings of Communication Services and Financial stocks. Long equity positions with a total return of -0.9% outperformed the short positions with a total return of -5.4%.

The latest estimate of U.S. real GDP for Fourth Quarter reflected a decrease to +0.7% versus +4.4% for the Third Quarter and was impacted by the partial U.S. government shutdown. The Fourth Quarter reflected gains in personal consumption expenditures (+2.0%), nonresidential fixed investment (+2.2%), and a decline in imports (-1.1%). Detractors included federal expenditures (-16.7%), residential investment (-0.5%) and decline in exports (-3.3%). For 2026, many economists project real GDP growth of +2% to +3% and CPI of about 2.5% to 3.0%, respectively. We expect positive corporate profit growth supported by increased productivity, consumer spending, relatively stable inflation, and prudent Fed monetary policy. However, a prolonged conflict in the Middle East and other geopolitical risks can have significant global economic and financial impacts. Currently, our leading industry group indicators target overweightings in Health Care, Real Estate and Consumer Staples, and underweightings in Industrials, Financials and Utilities. In comparison to last quarter, Communications increased to neutral from underweight with media companies expected to benefit after weaker consumer sentiment and telecoms reflecting restrained capital spending. Consumer Discretionary improved to neutral from underweight as retailers reflect better valuations (dividend yield, price/book with intangibles), and gains in authorized new housing units. Consumer Staples increased to modest positive from neutral based on positive earnings estimate revisions (diffusion) and higher free cash flow to employees. Industrials (transportation) decreased to underweight from neutral based on negative signals in options (put/call open interest) and weaker employment data. Energy decreased to neutral from modest overweight on higher consumer price data and tighter option adjusted spreads for energy bonds. 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.

[1]*The "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 3/31/2026	QTD	YTD	1 YEAR	3 YEAR*	5 YEAR*	10 YEAR*	SINCE INCEPTION* (11/30/06)
Glenmede (Gross)	3.0	3.0	16.1	12.1	10.6	6.7	5.1
Glenmede (Net)	2.7	2.7	14.7	10.7	9.3	5.3	3.8
Russell 3000 Index	-4.0	-4.0	18.1	17.9	10.9	13.7	10.2
30% Russell 3000/70% Barclays Capital 3-Month TBill	-0.5	-0.5	8.3	8.9	5.9	5.9	4.4

**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 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.**

Views expressed include opinions of the portfolio managers as of March 31, 2026, based on the facts then available to them. Statements regarding outlook, expectations or positioning are forward-looking, based on assumptions and market conditions as of the date indicated and may not be realized. All facts are gathered in good faith from public sources, but accuracy is not guaranteed. Nothing herein is intended to be construed as a recommendation to buy or sell any security or adopt any investment strategy. Benchmarks are provided for comparative purposes only and may reflect different holdings, sector weightings or risk characteristics than the strategy. **Returns represent past performance and are not guarantees of future results.** Actual performance in a given account may be lower or higher than what is set forth above. All investment has risk, including risk of loss. Designed for professional and adviser use.

1650 Market Street, Suite 4000 Philadelphia, PA 19103-7391
215-419-6662 | gimclientsupport@glenmede.com
glenmedeim.com

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