GLENMEDE
INVESTMENT MANAGEMENT

Q2 2024

CORE FIXED INCOME
QUARTERLY COMMENTARY

HIGHLIGHTS

- Bond yields rose higher across the yield curve in the second quarter of 2024.
- The Glenmede Core Fixed Income strategy ("strategy") outperformed for the quarter versus the Bloomberg US Aggregate Index primarily due to our sector weights tilted towards higher quality and our recent purchases of the treasury sector in the intermediate part of the curve.
- As we enter the third quarter, markets will be closely watching economic data to evaluate possible Federal Reserve rate moves.

Bond yields rose higher across the yield curve in the second quarter of 2024. The Federal Reserve Open Market Committee (FOMC) met twice in the quarter and left rates unchanged. The current Fed funds target now stands at 5.25 to 5.50 percent. Fed Chair Powell insists the Committee is firm on achieving inflation levels back to target but has remained hopeful of possibly lowering rates later this year. The consensus among wall street economists seems to predict one, possibly two cuts in 2024. The market remained cautious, fearing higher rates for longer could result in a possible economic slowdown. Volatility remained high.

For the quarter, agencies with their low duration profile were the best performers returning 0.3%, treasuries returned 0.1%, mortgages returned 0.1%, and corporates returned -0.1%. The yield curve steepened in the second quarter, with the two-year treasury higher by 13 basis points to yield 4.8%, and the thirty-year treasury selling off 22 basis points to yield 4.6%. The yield spread between the two-year treasury and thirty-year treasury closed the quarter at negative 19 basis points. With our sector weights tilted towards higher quality and our recent purchases of the treasury sector in the intermediate part of the curve, the Core Fixed Income Composite outperformed the benchmark for the quarter returning 0.2% (net), versus the benchmark, the Bloomberg US Aggregate Index, return of 0.1%.

As we enter the third quarter, markets will be closely watching economic data to evaluate possible Federal Reserve rate moves. High inflation remains the primary concern, and the Fed has remained vigilant attempting to lower it back to their 2% target. The potential impact from higher for longer, could slow the economy and possibly lower corporate earnings growth. Most economists are now calling for the soft landing and predicting the Fed to lower rates later this year. Adhering to our investment process, we will maintain liquidity and our high-quality bias. Our positioning will remain in the short to intermediate part of the curve and as long as volatility is high, we will remain close to duration neutral.

CORE FIXED INCOME Composite Performance (%)

As of 6/30/2024	QTD	YTD	1 YEAR	3 YEAR*	5 YEAR*	10 YEAR*	SINCE INCEPTION* (12/31/89)
Glenmede (Gross)	0.3	-0.5	2.4	-3.0	-0.4	1.2	5.1
Glenmede (Net)	0.2	-0.6	2.1	-3.3	-0.8	0.9	4.7
Bloomberg US Aggregate	0.1	-0.7	2.6	-3.0	-0.2	1.3	5.0

**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 Core Fixed Income Composite objective is to provide maximum long-term total return consistent with reasonable risk to principal, by investing primarily in mortgage-backed securities and medium-term fixed income securities issued by the U.S. Treasury, U.S. Government agencies, other agencies or debt obligations of domestic companies. The Bloomberg US Aggregate Index is composed of securities from Bloomberg US Government/Corporate Bond Index, Mortgage-Backed Securities Index, and the Asset-Backed Securities Index. Total return comprises price appreciation/depreciation and income as a percentage of the original investment. One cannot invest directly in an index.

Sources: Glenmede Investment Management, LP, Bloomberg

Views expressed include opinions of the portfolio managers as of June 30, 2024, based on the facts then available to them. All facts are gathered in good faith from public sources, but accuracy is not guaranteed. Nothing herein is intended as a recommendation of any security, sector or product. **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 1200 Philadelphia, PA 19103-7391
215-419-6662 | gimclientsupport@glenmede.com
glenmedeim.com