

# WOMEN IN LEADERSHIP U.S. EQUITY

## QUARTERLY COMMENTARY

### HIGHLIGHTS

- Large Capitalization stocks (as represented by the Russell 1000 Index) rose +3.6% during the quarter.
- The Glenmede Women in Leadership U.S. Equity strategy underperformed the Russell 1000 Index by -5.8% net of fees for the quarter.
- The strategy had stock selection outperformance in 2 of 11 sectors versus the cap-weighted index. The most positive relative contributions were in the Industrials and Energy sectors. The most negative relative contributions were in the Information Technology and Consumer Discretionary sectors.

The Glenmede Women in Leadership U.S. Equity Composite had a total return for Second Quarter 2024 of -2.2% (net of fees). On a relative basis, the Women in Leadership U.S. Equity Composite underperformed the Russell 1000 Index by -5.8%. The strategy invests in large cap companies with significant female representation in leadership that meet at least one of the following criteria: a Chairwoman, a female CEO, women comprising at least 33% of Board or 33% of senior management, respectively. In addition, the strategy incorporates other gender lens metrics in differentiating companies.

For the Second Quarter 2024, the S&P 500 and Russell 1000 Indexes had total returns of +4.3% and +3.6%, respectively. Although the capitalization-weighted indexes had positive returns, most US stocks had negative returns. The six largest names contributed about 437 basis points to the total return for the Russell 1000 Index. The outperformance of the cap-weighted index versus the average stock (-3.4%, equal-weighted) of +7.0% was the second largest quarterly spread since 1979 (+9.3% in 1Q 2020). Investor sentiment was mixed in response to hawkish Fed comments, signs of slowing economic growth, positive earnings surprises and AI exuberance. Inflation data continued to improve with core PCE declining to 2.6% (year/year). The 10-Year Treasury yield increased by about 0.2% to 4.4% while stock market volatility as measured by the CBOE VIX decreased from about 13.0 to 12.4. For First Quarter 2023 results, about 77% of Russell 1000 companies reported positive earnings surprises. In the Second Quarter, The Russell 1000 Growth Index (+8.3%) outperformed the Russell 1000 Value Index (-2.2%) by about +10.4%. In the quarter, the best performing sectors in the Russell 1000 Index were Information Technology (+12.8%) and Communication Services (+9.3%). The worst performing sectors were Materials (-5.2%) and Industrials (-3.3%).

For the quarter, the strategy had negative contributions from multi-factor stock selection models, including biases towards lower valuations. The strategy was unfavorably impacted from relative underexposures to the Magnificent 7 and lower market capitalizations versus the Russell 1000 Index. The strategy had stock selection outperformance in 2 of 11 sectors versus the cap-weighted index. The most positive relative contributions were in the Industrials and Energy sectors. The most negative relative contributions were in the Information Technology and Consumer Discretionary sectors. Industry group biases had net negative impact on performance, including overweightings in Consumer Discretionary and underweightings in Information Technology stocks.

The latest U.S. real GDP estimate for First Quarter was +1.4% versus +3.4% for the Fourth Quarter. The quarter reflected gains in personal consumption expenditures (+1.5%), fixed investment (+7.0%), gross government spending (+1.8%), and exports (+1.6%). Imports (+6.1%) was a detractor. For 2024, many economists project real GDP growth in a range of 2.0% to 2.5% and CPI of 3.0% to 3.5%. We expect positive corporate profit growth of 4% to 7% supported by high employment, declining inflation, and prudent Fed monetary policy. However, geopolitical risks can have significant global economic and financial impacts. Currently, our leading industry group indicators target overweightings in Consumer Discretionary, Health Care, Materials and Utilities, and underweightings in Industrials, Financials and Consumer Staples. 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.

## WOMEN IN LEADERSHIP U.S. EQUITY Composite Performance (%)

As of 6/30/2024	QTD	YTD	1 YEAR	3 YEAR*	5 YEAR*	10 YEAR*	SINCE INCEPTION* (12/31/15)
Glenmede (Gross)	-2.0	7.3	16.3	4.9	11.0	n/a	11.7
Glenmede (Net)	-2.2	6.9	15.4	4.1	10.1	n/a	10.8
Russell 1000 Index	3.6	14.2	23.9	8.7	14.6	n/a	14.0

\*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.

**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 Women in Leadership U.S. Equity Composite objective is to provide maximum long-term total return consistent with reasonable risk to principal, by investing at least 80% of the net assets in equity securities of U.S. large cap companies that are demonstrating commitment to advancing women through gender diversity on their boards or in management. The Russell 1000 Index is an unmanaged, market value weighted index, which measures performance of the largest 1,000 companies in the market. One cannot invest directly in an index.

GIPS® is a registered trademark owned by CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

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.

Q2  
2024

1650 Market Street, Suite 1200 Philadelphia, PA 19103-7391  
215-419-6662 | gimclientsupport@glenmede.com

[glenmedeim.com](http://glenmedeim.com)

**GLENMEDE**  
INVESTMENT MANAGEMENT