

SECURED OPTIONS

QUARTERLY COMMENTARY

HIGHLIGHTS

- Strategies like Secured Options that seek to capture the Volatility Risk Premium (VRP) and the Equity Risk Premium (ERP) on the S&P 500 Index, benefit from environments when the S&P 500 Index implied (expected) volatility is greater than realized (actual) volatility.
- For the second quarter, the Glenmede Secured Options strategy had a return of 4.1% gross and 3.9% net, while the CBOE S&P 500 Put-Write Index had a return of 5.6% and the CBOE S&P 500 Buy-Write Index had a return of 5.5%.
- Heading into the fourth quarter of 2024, market volatility is expected to remain above its long-term historical average as we approach the U.S. election and continue to see growing geopolitical tension in the Middle East.

The S&P 500 added 5.9% during the 3rd quarter to finish at a new all-time-high (ATH). The market's perceived risk as measured by implied volatility remained elevated throughout the quarter. Usually, elevated perceived risk that doesn't materialize into real risk will lead to positive compensation for strategies like ours.

Our Secured Options strategy which seeks to capture the Equity Risk Premium (ERP) and the Volatility Risk Premium (VRP) on the S&P 500 Index by selling cash-secured puts benefitted from the strong equity market but was limited by the negative impact of our defensive positioning. Our return for the 2024Q3 was 4.1% before fees and 3.9% net of fees and expenses, while our CBOE S&P 500 Put-Write Benchmark (Ticker: PWT) returned 5.6% and our CBOE S&P 500 Buy-Write Benchmark (Ticker: BXM) returned 5.5%. Since our benchmarks have roughly 50% exposure to each of the two risk premia, we believe all relative under/outperformance may be attributed to our active options selection process and how we cycle through each monthly expiration. Unfortunately, our options selection process had more downside protection and less upside participation which ultimately caused our strategy to underperform both CBOE benchmarks for the 2024Q3.

Heading into the fourth quarter of 2024, market volatility is expected to remain above its long-term historical average as we approach the U.S. election and continue to see growing geopolitical tension in the Middle East. With the S&P 500 Index at an ATH and market volatility still elevated, our Secured Options strategy will remain more defensively positioned with a larger than normal downside cushion.

SECURED OPTIONS Composite Performance (%)

As of 9/30/2024	QTD	YTD	1 YEAR	3 YEAR*	5 YEAR*	10 YEAR*	SINCE INCEPTION* (12/31/03)
Glenmede (Gross)	4.1	11.2	15.9	6.6	8.4	7.4	7.4
Glenmede (Net)	3.9	10.7	15.3	6.0	7.8	6.7	6.7
CBOE PutWrite TW	5.6	13.5	18.7	8.6	9.2	7.0	7.2

*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 Secured Options composite included herein, from January 1, 2004 to June 30, 2010, is that of Glenmede Trust Company and has been linked to the performance of Glenmede Investment Management, LP. The investment decision makers and the investment process remains unchanged. The secured options composite will implement buy-write (covered call) and/or cash-secured put option strategies on stock ETFs, stock indices and/or individual stocks held by the portfolio. The strategy invests in options which have the risks of unlimited losses of the underlying holdings due to unanticipated market movements and failure to correctly predict the direction of the securities prices, interest rates and currency exchange rates. The strategy may invest in ADRs and foreign securities which involve greater volatility and political, economic, and currency risks and differences in accounting methods. This strategy seeks to balance the total return of the S&P 500 with risk mitigation from options. This investment may not be suitable for all investors. The CBOE Put/Write T-W Index is a benchmark index designed to track the performance of a hypothetical short put strategy. CBOE introduced the CBOE S&P 500 PutWrite T-W Index on July 3, 2014. The PWT Index replicates the methodology used to calculate the PUT Index, with one exception. That is, on each roll date the SPX puts are deemed to be sold at the Ptwap, a price equal to the time-weighted average of reported bid prices, of the selected SPX put option beginning at 11:30 a.m. ET and ending at 12:00 p.m. ET. Accordingly, Ptwap is used in place of the Pvwap on PWT roll dates. CBOE has not calculated a separate series of historical values for the PWT Index prior to July 2007. Rather, historical values for the PWT Index prior to July 2007, may be considered the same as PUT Index values. The unmanaged index is a total return index with dividends reinvested. One cannot invest directly in an index.

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We calculate the Equity Risk Premium as the spread between the total monthly return of the S&P500 and the yield on the 10-year Treasury Bond in monthly terms. The average Equity Risk Premium over the entire period is calculated as the annualized average of each monthly Equity Risk Premium.

We calculate the Volatility Risk Premium as the spread between the closing price of the VIX Index and the subsequent 1-month realized price volatility of the S&P 500 Index. Each observation is a 1-month period starting on an options expiration date (the third Friday of the month).

Views expressed include opinions of the portfolio managers as of September 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.

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