

EQUITY INCOME

QUARTERLY COMMENTARY

HIGHLIGHTS

- Equity markets (as represented by the S&P 500 Index) rose +2.4% during the quarter.
- The Glenmede Equity Income strategy underperformed the Russell 1000 Value by -0.6% net of fees and the S&P 500 by -5.0% net of fees
- The large gaps relative to the S&P in both periods were primarily due to a lack of exposure to the largest components of that Index. Relative underperformance from the strategy's Consumer Staples holdings was also a notable drag with positive performance from its Financials sector holdings being one of the few offsets.

The S&P 500 Index continued to move higher during the quarter ending on December 31, 2024, with a total return of 2.4%. This brought the full year 2024 return to 25.0%. The Russell 1000 Value Index, however, had a total return of -2.0% for the quarter and a more moderate 14.4% return for the full year. Both those results more closely approximated the average S&P 500 stock return with the S&P 500 Index returns fueled by its concentration in large growth stocks. Away from those large growth stocks, the Financials sector stocks had strong performance in both benchmarks as investor expectations for interest rates and policy shifts supported rising valuation levels. Health Care and Materials sectors were the biggest laggards in both benchmarks. For the full year, the Financials sector was the only one whose returns in each benchmark exceeded the S&P 500 Index return. No other sector in the Value benchmark was able to do so, while within the S&P 500 those sectors with exposure to its largest components were the only others to achieve better returns (Consumer Discretionary, Communication Services and Information Technology).

The Equity Income strategy returned -2.6% (net) for the quarter and 9.3% (net) for the full year. This was -0.6% and -5.1%, respectively, behind the Russell 1000 Value and -5.0% and -15.7%, respectively, behind the S&P 500. The large gaps relative to the S&P in both periods were primarily due to a lack of exposure to the largest components of that Index. Relative underperformance from the strategy's Consumer Staples holdings was also a notable drag with positive performance from its Financials sector holdings being one of the few offsets. Versus

the Value benchmark, for the full year, positive stock selection results in the Information Technology and Health Care sectors were more than offset by negative relative results in the Consumer Staples and Communication Services sectors. The latter two sectors were also notable detractors in the recent quarterly period, with partial offsets coming from selection in the Health Care and Materials sectors.

Investors continue to appear confident that there is not a significant risk of a near-term economic downturn with recent economic data points and U.S. election results seeming to support those views. However, already high valuation levels for stocks versus history and corporate earnings not broadly positioned for a cyclical recovery or rapid growth, seem to have made it difficult for investors to get excited about many new opportunities. Instead, they have continued to focus primarily on a small subset of large growth companies. The strategy continues to focus on owning durable businesses that combine appropriate capital allocation, including distributing cash dividends to shareholders with attractive valuations. While more recently the benefits of such a strategy have only evidenced themselves intermittently, we remain confident that the steady compounding of value they provide will continue to deliver competitive market returns while mitigating risk over the longer-term.

EQUITY INCOME Composite Performance (%)

As of 12/31/2024	QTD	YTD	1 YEAR	3 YEAR*	5 YEAR*	10 YEAR*	SINCE INCEPTION* (12/31/04)
Glenmede (Gross)	-2.4	10.2	10.2	4.6	9.5	10.0	9.6
Glenmede (Net)	-2.6	9.3	9.3	3.8	8.7	9.2	8.8
S&P 500 Index	2.4	25.0	25.0	8.9	14.5	13.1	10.4
Russell 1000 Value Index	-2.0	14.4	14.4	5.6	8.7	8.5	7.9

*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 215.419.6662. Please see the GIPS® presentation for further explanation.

The Equity Income Composite objective is to invest in a diversified portfolio of common and preferred stocks that reward shareholders with dividend income. Companies held in the portfolio will be among industry leaders in dividend yield and possess the ability to raise the payout to shareholders over time. The S&P 500 Index consists of 500 widely held common stocks. This unmanaged index is a total return index with dividends reinvested. One cannot invest directly in an index.

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