

# 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 +1.4% net of fees.
- For the Quarter, the strategy had net positive contributions from multi-factor stock selection models, including biases towards stocks with better fundamentals and more positive earnings trends.
- The strategy had stock selection outperformance in 5 of 11 sectors versus the Index. The most positive relative contributions were in the Industrials and Health Care sectors. The most negative relative contributions were in the Communication Services and Information Technology sectors.

The Glenmede Long/Short Equity Composite had a total return for the Fourth Quarter 2024 of +3.1% (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 about +1.4%. This strategy is managed to a net equity exposure of about 30%.

For the Fourth Quarter 2024, S&P 500 and Russell 3000 Indexes had total returns of +2.4% and +2.6%, respectively. The performance in equities was supported by better-than-expected economic growth, Republican election sweep and easing monetary policy. In the quarter, the Federal funds rate was lowered by a total of 50 basis points. The 10-Year Treasury yield increased by about +0.8% to about 4.6%. For Third Quarter 2024 results, about 64% of Russell 3000 companies reported positive earnings surprises. In the Fourth Quarter, the Russell 3000 Growth Index (+6.8%) outperformed the Russell 3000 Value Index (-1.9%) by about +8.8%. In the Quarter, the best performing sectors in the Russell 3000 Index were Consumer Discretionary (+12.2%) and Communication Services (+8.8%). The worst performing sectors were Materials (-10.8%) and Health Care (-9.7%).

For the Quarter, the strategy had net positive contributions from multi-factor stock selection models, including biases towards stocks with better fundamentals and more positive earnings trends. The strategy was unfavorably impacted from relative underexposures to the Magnificent 7 and lower market capitalizations versus the Russell 3000 Index. The strategy had stock selection outperformance in 5 of 11 sectors versus the Index. The most positive relative contributions were in the Industrials and Health Care sectors. The most negative relative contributions were in the Communication Services and Information Technology sectors. Industry group biases

\*Prior to 12/31/2024, the strategy was known as Glenmede Quantitative U.S. Long/Short Equity.

had net negative impacts on performance, including relative overweightings of Health Care and underweightings of Communication Services stocks. Long equity positions had a total return of +2.1% versus short positions with a total return of -1.2%.

The latest U.S. real GDP estimate for Third Quarter was +3.1% versus +3.0% for the Second Quarter. The quarter reflected gains in personal consumption expenditures (+3.7%), fixed investment (+2.1%), gross government spending (+5.1%), and exports (+9.6%). Imports (+10.7%) was a detractor. For 2025, many economists project real GDP growth of about +2.0% to +2.5% and CPI of about 2.5%. We expect positive corporate profit growth of 4% to 7% supported by high employment, declining inflation, and prudent Fed monetary policy. However, potential trade tariffs and geopolitical risks can have significant global economic and financial impacts. Currently, our leading industry group indicators target overweightings in Health Care, Energy and Real Estate, and underweightings in Industrials, Communication Services, Financials, Consumer Staples, Information Technology and Utilities. 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.

<sup>1</sup>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 12/31/2024	QTD	YTD	1 YEAR	3 YEAR*	5 YEAR*	10 YEAR*	SINCE INCEPTION* (11/30/06)
Glenmede (Gross)	3.5	14.7	14.7	8.2	7.7	5.4	4.5
Glenmede (Net)	3.1	13.3	13.3	6.9	6.4	4.1	3.2
Russell 3000 Index	2.6	23.8	23.8	8.0	13.9	12.5	10.2
30% Russell 3000/70% Barclays Capital 3-Month TBill	1.7	10.8	10.8	5.6	6.2	5.2	4.2

\*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 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.**

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