

THE STRENGTH OF INDEPENDENCE

GLENMIEDE

2010 ANNUAL REVIEW

CLARITY

Glenmede is dedicated to providing the highest level of investment and wealth management services to a discriminating clientele – individuals, families, and institutions.

Values

SERVICE

We should know our clients' goals, anticipate their needs, and deliver the same level of ongoing care that we would want for our own families and institutions.

THOUGHTFULNESS

We discern and implement wisdom before it becomes conventional.

FOCUS

Our sole means of rewarding our shareholders, serving our clients, and providing a rewarding employee workplace is to focus all of our energies to being the best investment and wealth manager.

COLLABORATIVE BEHAVIOR

We achieve results in an amiable, approachable, and cooperative manner which bonds clients and employees to our firm.

FAIR PRICING

The right price should strike the right balance between a good value to our clients and an attractive rate of return to our stakeholders.

INTEGRITY

The right decision does not require a complex explanation.

EFFECTIVE EXECUTION

Delivering consistently on commitments to clients differentiates us in our industry.

The logo for Glenmede, featuring the word "GLENMEDE" in a blue, serif, all-caps font.

*Gordon B. Fowler, Jr.
President and Chief Executive Officer,
Chief Investment Officer*

To Our Shareholders, Clients, and Friends:

One of my personal highlights of the past year was having the chance to share the Glenmede story with a national publication. In the end, the journalist characterized our company as a traditional firm with a contrarian bent. I like that designation. It captures the two dimensions of our firm – a company that stays true to the traditions that keep us strong, but is flexible enough to break away from conventional wisdom when new opportunities arise.

As a traditional firm, we pride ourselves on delivering a very high level of advice and service. We find or develop talented individuals and encourage long-term employment. We have stayed focused on our area of expertise – investment and wealth management – and have been careful not to expand into other financial services or products, such as loans, that could endanger the health of the firm and distract us from serving our clients. We make our experts and expertise accessible to our clients. We communicate with them frequently and avoid, to the greatest extent

possible, industry jargon. Finally, we give advice after careful thought and study – advice designed for lasting effect, regardless of current fads or trends.

The traditional aspects of Glenmede all sound very safe and secure, but firms that resist change also risk ossification. Yes, it is important to hold to valued traditions, but it is equally important for a successful firm to constantly re-evaluate its approach and strive for continuous improvement. A contrarian perspective leads us to question the status quo, identify opportunities others may miss, and take advantage of them for the benefit of our clients.

It was this contrarian mindset, along with a secure capital position, that allowed us to open our New York City office at the depths of the downturn and see it blossom as a source of growth in 2010. It was this mindset that caused us to create innovative investment approaches, such as a secured option strategy, and pursue the purchase of private equity secondary offerings at deep discounts. Our commitment to maintain a high level of service rather than cut back during the downturn also represents a departure from the norm. A contrarian view is embedded in our investment philosophy, which is discussed in more depth later in this review.

This combination of tested practices and innovative initiatives has served Glenmede's clients and shareholders well. Thanks to strong asset returns at the end of the year, client assets under man-

agement grew to \$19.8 billion in 2010. This was augmented by another successful year of measured growth in new business and a record number of new relationships. Due to a steady pace of referrals from clients and intermediaries, we have been on target with our new business goals for the past five years.

In 2010, Glenmede achieved a net income of \$7.4 million, an increase of 42% from 2009. This growth was concurrent with the first full year of operation of our New York City office. The office currently has a staff of six professionals and has become a hub of activity for clients, prospective clients, and Glenmede professionals. If you are in the neighborhood, we encourage you to stop in and visit.

We are optimistic about our growth going forward and have taken a disciplined approach to organizing our endeavors. In last year's letter, I introduced three long-term client-centered strategic goals. In 2010, we aligned our efforts and new initiatives around these objectives:

1. *Produce superior investment results:* We seek to exceed our clients' expectations for investment return and risk management.
2. *Simplify the financial world of our clients:* Our efforts should provide clients with a level of service that improves, rather than complicates, the quality of their lives.

3. Sustain our independence: We will maintain our long-term growth and financial strength through periods of economic stability and turmoil so that Glenmede remains a reliable, independent organization focused on the needs of current and future generations of clients.

Achieving strong results requires strong people. To that end, it has been our honor to introduce Susan P. Mucciarone as Glenmede's Director of Wealth Advisory and member of our Management Committee. Susan's professional history and deep-rooted experience serving the complex needs of single- and multi-family clients fortifies our practice and our competitive advantage. Her appointment, along with that of Steve Brandfield, Business Development Director in New York, and Ken Belanger, Director of Human Resources and member of our Management Committee, exemplifies our business model's appeal to seasoned professionals.

Another year also brings the opportunity to acknowledge individuals who have left their mark on the company. Warren Reintzel, Director of Relationship Management and Administration, retired in 2010 after 25 years of service to Glenmede. Throughout his career, Warren developed one of the strongest fiduciary teams in our business. We continue to admire his integrity and thought leadership, and thank him for his consummate professionalism. A. E. Piscopo, Glenmede's CEO through 2009, concluded his

service as a Director at the end of 2010. It was a distinct privilege to work with Al. His wise counsel leaves us well-prepared for the future.

I speak for all our employees when I thank you – our clients and shareholders – for the opportunity to serve and work with you. Many of us have worked elsewhere, and we recognize that Glenmede is a very special organization that allows us to practice our craft in a way that is in the best interests of all of our stakeholders. We look forward to building on this tradition with the growth and innovation that comes from taking, at times, a contrarian perspective.

GORDON B. FOWLER, JR.
*President and Chief Executive Officer,
Chief Investment Officer*

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Client Wealth Objectives: Clarity of Purpose

The process of establishing and regularly reviewing wealth objectives remains integral to any useful wealth management plan. This level of engagement frequently brings crucial issues to light and has implications for addressing ongoing priorities. Glenmede has augmented the discipline of our annual investment review to discuss and document each client's personal wealth objectives.

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Opportunistic Value Investing: Glenmede's Investment Philosophy

The ability to identify and capitalize on undervalued investment opportunities within the guidelines of a disciplined risk management perspective, in both good and bad markets, is a key to maximizing returns over the long run. Our investment philosophy explains in conceptual terms how we seek to achieve this goal.

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Succeeding with the Endowment and Foundation Investment Model

Over the past few decades, U.S. endowments and foundations began taking advantage of investment opportunities that enabled some to generate staggering wealth. The bear market in 2008 and 2009, though, led to unanticipated results for some practitioners of this model. Putting the incidents of the past few years into perspective, we can better understand the strengths and risks for endowments and foundations following this investing model.

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Board of Directors



Howard E.N. Wilson, Executive Director of Relationship Management, and
Melinda G. Rath, Relationship Manager, Wealth Advisory

Client Wealth Objectives: Clarity of Purpose

Over the years, Glenmede has taken great care to know – really know – our clients. We have intentionally taken time to listen to and understand each client’s unique history, family relationships, spending and investing patterns, tolerance for risk, desire for return, degree of knowledge about investment and financial matters, and those aspects of life that are truly most important.

In fact, clients have expressed deep appreciation for the ability of our investment and wealth advisory teams to seamlessly incorporate these highly personal dimensions into thoughtfully structured investment portfolios, relevant and timely wealth advice, and personalized service.

More recently, you may have noticed that we are augmenting the discipline of our annual investment review to discuss *and document* your personal wealth goals. This is taking the form of “Client Wealth Objectives” and is meant to:

- Provide additional assurance that we have a mutual and clear understanding of your investment goals and the long-term purpose of your financial wealth.
- Inform investment goals and guide the related financial and estate priorities for the next one-to five-years, or longer.
- Provide an additional way for clients to evaluate their overall satisfaction with Glenmede’s services.
- Establish guiding principles to help navigate dynamic investment and financial market conditions.

We all know that clearly defining objectives greatly improves the likelihood of achieving a successful outcome. Certainly, as investors, we are accustomed to operating under a well-honed policy statement. Extending this discipline more broadly to clarify and define client wealth objectives forms the proper foundation for continued long-term financial success.



Susan P. Mucciarone, Director of Wealth Advisory

In our work, we have found that clients tend to think about their wealth objectives in three general categories: lifestyle spending, legacy funding, and charitable support. At the intersection of these categories is a seemingly simple, yet challenging question: What do you want your wealth to accomplish?

WEALTH OBJECTIVES: WHAT ARE THEY?	
CLIENT WEALTH OBJECTIVES	INFLUENCE ON INVESTMENT AND ADVISORY GOALS
<i>Lifestyle:</i> Having enough money to support short-term goals and long-term lifestyle needs.	Affects income, liquidity, and risk profile.
<i>Legacy:</i> The desire to transfer assets and values to subsequent generations.	Estate documents are aligned with intentions; education as a part of the annual review process.
<i>Charitable:</i> Determining the best approach to funding philanthropic interests.	Long-term time horizon allows for less liquid investments. Charitable structure informs permissible investments.

The initial answers often seem obvious. But there are usually underlying goals that become clear only after trusting conversations about the myriad financial and non-financial interests that comprise the broad social, intellectual, and human dimensions of a client’s life.

We help clients clarify and connect their wealth objectives to their core values and, subsequently, to appropriate financial and investment goals. This process may be done in conjunction with a client’s other advisors and is often known as “comprehensive financial planning” – a process that projects spending, examines assets, and forecasts the probability of a range of outcomes to ensure that financial and investment goals are in sync with your personal objectives.

Importantly, this can create a timeline, both historical and forward thinking, in which circumstances are documented with transparency. Of course, wealth objectives vary from person to person and family to family, so this process can align and memorialize the many objectives of an individual, or those of a group, into a cohesive vision.

Ideas Evolve

The process of regularly reviewing wealth objectives remains integral to effective wealth planning. This level of engagement frequently brings to light crucial issues and has implications for addressing ongoing priorities.

As families grow generationally, the challenge becomes not only preserving the emotional and financial assets of earlier generations, but also understanding that extended families often do not have one goal, one risk profile, one time horizon, or one worldview.

By pursuing an annual process that evaluates, prioritizes, and catalogues both qualitative and quantitative considerations, we inform our decision-making and affirm the tactics engaged to meet evolving objectives. In total, this forms an integrated wealth plan.

The Benefit of Knowing Your Objectives

By developing a context and rationale for the management of one's wealth, investors gain the benefit of a system of checks and balances, similar to those found in a well-run enterprise. While there is no silver bullet or immunization that completely wards off risk, an integrated wealth plan can help investors to stay the course throughout changing market conditions and to temper reactions fueled by emotional influences, short-term distractions, or the general unpredictability of life. In good economic times, this provides a strategic framework that deploys assets in direct alignment with short- and long-term objectives. In times of punishing returns, this same framework delivers a sense of confidence and peace of mind that come from relying upon a well-constructed plan, one that frees clients to remain focused on achieving their long-term goals.

CLIENT WEALTH OBJECTIVES - A CASE STUDY

Catherine and Peter are both retired and in their late 60s. Catherine ran their home and oversaw the raising of their two sons. Peter was an executive who realized a substantial increase in the family's liquid wealth following the sale of his company. Their sons are both married with children of their own.

PERSONAL OBJECTIVES

Maintain current lifestyle (living expenses and travel) with income generated from Peter's three-year consulting engagement with his former company. Following this three-year period, Catherine and Peter will rely on their investment portfolio to fund annual living expenses of approximately \$400,000.

LEGACY OBJECTIVES

Catherine and Peter expect to provide for their sons and their sons' families through gifting programs and trusts. They want to ensure their children and grandchildren are properly equipped to handle the responsibilities of their forthcoming wealth and are interested in how best to approach financial education.

CHARITABLE OBJECTIVES

Funding to certain organizations has always been important to Catherine and Peter. Over the next 12- to 18-months, they wish to explore and implement a philanthropic strategy that can support these efforts. They plan to fund charitable interests with at least \$20 million over the next several years.



INVESTMENT AND PLANNING DECISIONS
INFORMED BY CLIENT WEALTH OBJECTIVES



Jason D. Pride, Director of Investment Strategy, and
Gordon B. Fowler, Jr., President and Chief Executive Officer, Chief Investment Officer

Opportunistic Value Investing: Glenmede's Investment Philosophy

Investing in companies and assets is not just a matter of crunching numbers, reading annual reports, and watching prices. It starts, in fact, by defining a philosophy. An investment philosophy captures a general set of beliefs about how markets work and how, as an investment manager and advisor, we seek to earn returns for our clients. Our stated investment objective for our clients is to grow portfolios over the long term with a managed risk of loss. Our investment philosophy explains in conceptual terms how we seek to achieve this goal.

At the heart of Glenmede's investment philosophy is the belief that asset and security valuations periodically fluctuate with market sentiment. When this occurs, otherwise solid investments can become vulnerable to temporary discounts due to fear, complexity, illiquidity, or lack of a long-term view of growth potential.

In good markets and bad, it has been our experience that the ability to read investment valuation cycles and identify and capitalize on opportunities, within the guidelines of a strict risk management perspective, is key to maximizing returns over the long run.

At Glenmede, we capture value opportunities by investing directly or partnering with specialist managers who hold demonstrated track records. Portfolios created with an opportunistic value discipline and an emphasis on non-correlated assets and strategies are well-positioned to earn excellent returns with limited risk of loss.

Successful opportunistic value investing requires a willingness to exercise discipline, do intensive analysis and, at times, to take a contrarian point of view. The opportunities we analyze generally fall into one of three categories: *deep value*, *good value/good news*, and *value hidden by complexity and illiquidity*.

Deep Value

Unloved and ignored assets and securities typically deliver the best values. When a security is adversely affected by troubling news, market participants tend to indiscriminately sell assets at prices well below reasonable levels. Those with the means and ability to face dismal headlines with courage and patience will be in a position to benefit from these situations. The longer the market delays in recognizing its mistake, the greater the potential returns.

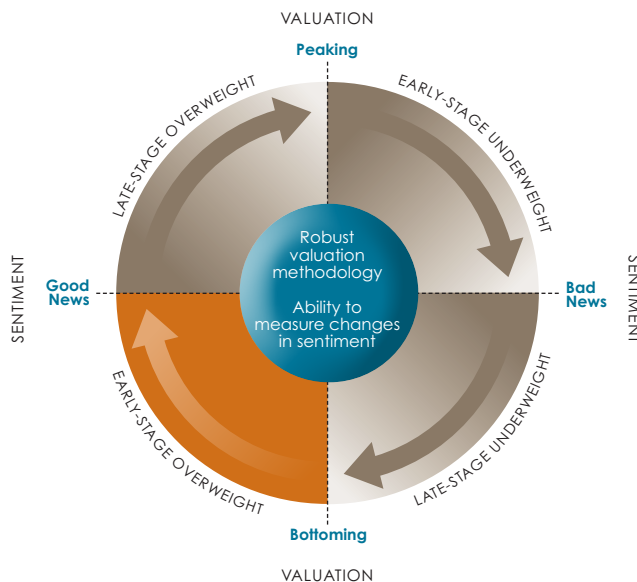
Example: Following the 2008 sub-prime mortgage debacle, when high-yield bonds were priced to earn up to 15%, the economic news was extremely discouraging. Yet even if default rates reached historic highs, these bonds in aggregate still represented a good value.

Good Value/Good News

A second form of value investing comes when good news has begun to relieve some of the uncertainties associated with cheaply priced assets and prices start to become more fairly valued. While the payoff may be smaller, since some of the value has already been realized, the emergence of good news can usher in more immediate returns.

Glenmede Investment Lifecycle Philosophy

Taking Advantage of Valuation & Expectations of Fundamentals



Example: American companies, such as 3M, Yum! Brands, and Emerson Electric, that prospered from emerging market growth over the last decade have generally traded at inexpensive valuation levels. These companies have also benefited from strong economic growth and, as a result, have produced returns in excess of U.S. indices over most of the last ten years. Emerging market equities themselves would also qualify as a similar sort of investment.

Value Hidden by Complexity and Illiquidity

Asset markets are varied and complex, sometimes producing vastly mispriced valuations. Understanding the true value of a complex or illiquid asset requires specialized knowledge. Investors with this knowledge are more likely to uncover attractively priced securities that yield high return rates.

Example: Private equity investments are usually illiquid, and are bought and held by long-term investors. After the market collapse of 2008 and early 2009, a number of these investors were forced to liquidate portfolio holdings at discounts ranging from 30%-80%. This presented a tremendous buying opportunity for investors able to acquire these assets. Success, however, depended on having the ability to accurately value very complex, opaque investments.

While identifying attractive values is a key element of our investment philosophy, it is equally important to construct portfolios with minimal risk of loss. For that reason, when we invest, we seek to earn a high upside/downside capture ratio. Put another way, Glenmede looks to keep pace with the markets as they rise, while outperforming them when they fall. One of the best ways to make money over the long term is to preserve capital gains during downturns.

Value investing is biased toward preserving capital. By avoiding securities with inflated prices during the heady stages of a bull market, and by selling or reducing positions in overvalued securities, risk of loss is controlled. Investing in assets and strategies with low cross-correlations to one another adds an additional level of risk control. Ideally, whenever a new investment is added, it should not only increase a portfolio's return, but also reduce its risk.

Every investment has a lifecycle. Glenmede portfolio managers look for overvalued assets that have run their course, with the objective of replacing them with more opportunistic alternatives. It is a philosophy that enables a portfolio to flourish under a wide range of market conditions.



Stephen C. Lehman, Managing Director, and Christopher M. Zafiriou, Vice President, The Pew Trusts Investment Management, and Adam M. Conish, Relationship Manager, Endowments & Foundations

Succeeding with the Endowment and Foundation Investment Model

As early as the 1970s, U.S. endowments and foundations began taking advantage of investment opportunities that enabled some to generate staggering wealth. This wealth creation was mostly accomplished through the adoption of an investing approach that emphasized the use of alternative strategies over the traditional stock and bond investments. Yet, due to the magnitude of losses suffered by these institutions in 2008 and early 2009, some in the investment community question whether the unprecedented bear market exposed vulnerabilities in the model. By putting the incidents of the past few years into perspective, we can better understand the strengths and risks inherent in the endowment and foundation investing model.

Glenmede believes that while there are valuable lessons to be learned, the endowment and foundation model remains valid. However, the precipitous drop in many large endowment and foundation portfolios demonstrates that when insufficient attention is paid to liquidity and risk management, even the most astute players can find themselves brought up short.

Why Were Endowments and Foundations More Successful?

It is important to understand the thinking that produced double-digit returns for so many years. As the race to outperform previous years' results escalated, institutions began to employ more creative and aggressive tactics, including:

- The use of non-traditional asset categories and managers to generate returns well in excess of U.S. large-capitalization stock indices (e.g., emerging markets).
- A stronger equity orientation through the use of seemingly uncorrelated risk assets and strategies (e.g., hedge funds).
- A conscious decision to relinquish liquidity provisions for higher returns (e.g., private equity, real estate).

The strategy of mitigating risk through diversification and seeking higher returns with leveraged and illiquid assets worked well during turbulent market cycles such as the 1998 emerging market debt crisis and the 2001 rupture of the Internet bubble. Even as late as mid-2008, endowments

outperformed leading benchmarks. For the 12 months ending June 30, 2008, the median return among larger endowments and foundations was -1.6%, compared to -4.1% for a broad universe of large institutional funds and -13.1% for the S&P 500.

What Went Wrong?

As the 2008 global financial crisis unfolded and capital markets froze, the same strategies that had fueled the endowment and foundation investment paradigm began to serve not as an advantage but as a hindrance. For some, the severity of the 2008 and early 2009 market debacle led to a number of fairly dire consequences:

Non-traditional asset categories: Many markets suffered in step with or worse than the U.S. stock market. For example, from the beginning of 2008 through March 2009, emerging market stocks fell by 60%, while large-capitalization U.S. stocks fell by 52%.

Uncorrelated strategies as a means of risk control: Previously uncorrelated assets and strategies began to converge, regardless of the underlying characteristics, and became tainted by the broad brush of the market decline. Institutions that relied on these strategies to deliver downside protection were blindsided by the magnitude of their losses.

Investing in illiquid assets and strategies: Institutions became accustomed to achieving higher returns by investing in more illiquid structures, such as private investments. For some, these assets represented more than 60% of their pre-crash portfolio. Unfortunately, when markets plummeted, endowment spending needs did not. This caused some to liquidate securities or borrow capital on unfavorable terms. Exacerbating liquidity matters further, many institutions had to brace for large capital calls from private investment sponsors. A domino effect ensued, driving more sellers into the market at a time when asset prices were under severe pressure.

After the Dust Settled

Nearly two years have passed since the gut-wrenching market declines. As markets recovered, some of the problems with the endowment and foundation model proved to be temporary. Non-traditional asset categories such as emerging markets have sprung back. Likewise, strategies such as hedge funds, which relied on low correlation between assets to control risk, may have declined more than anticipated during 2008 but still outperformed the S&P 500 over 2008-2010, with substantially less risk than the index.

The one enduring lesson from this period is that liquidity risk needs to be considered alongside price risk. Institutions that carefully managed their liquidity may have earned lower returns prior to the crisis, but they were positioned to commit capital when prices collapsed. Some were able to buy undervalued publicly traded securities and private assets trading at substantial discounts to the stated values. Glenmede was so positioned and, on behalf of clients, continues to opportunistically participate in the investments that arise from this secondary market.

The Moral of the Story

We believe the endowment and foundation model is not broken – far from it, based on long-term returns through 2010. However, this recent episode demonstrates that the model, when over-calibrated in favor of returns at the expense of the fundamental processes of risk management required to protect liquidity, can become severely compromised. The portfolio managers who fared best favored a disciplined approach and resisted the lure of outsized returns. These investors may have lost money in the crisis, but they remained solvent, met their obligations, and were able to capitalize on the opportunities presented by the market dislocation.

GLENMEDE

2010 FINANCIAL REVIEW

CONDENSED CONSOLIDATED BALANCE SHEETS

<i>In thousands</i>	Year ended December 31	
	2010	2009
Assets		
Cash and cash equivalents	\$ 20,113	\$ 24,003
Investments	48,669	41,979
Fees receivable	8,502	7,732
Premises and equipment, net	4,665	5,130
Other assets	15,489	16,448
	<u>\$ 97,438</u>	<u>\$ 95,292</u>
Liabilities		
Accrued expenses and other liabilities	\$ 31,967	\$ 31,912
Stockholders' Equity		
Common stock and surplus	13,545	11,546
Accumulated other comprehensive loss	(5,264)	(5,059)
Retained earnings	80,129	82,379
Treasury stock, at cost	(22,939)	(25,486)
	<u>65,471</u>	<u>63,380</u>
	<u>\$ 97,438</u>	<u>\$ 95,292</u>

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

<i>In thousands, except per share data</i>	Year ended December 31	
	2010	2009
Operating Revenue		
Investment advisory, trust and other client service fees	\$ 66,680	\$ 59,911
The Pew Trusts fees	11,993	10,671
Mutual fund fees	11,356	10,093
Equity in earnings of Philadelphia International Advisors, LP	2,421	2,373
Interest, dividends and other income	1,310	1,338
Net securities gains (losses)	1,650	(561)
Total operating revenue	<u>95,410</u>	<u>83,825</u>
Operating Expenses		
Compensation and benefits	56,734	50,661
General and administrative	25,791	23,017
Depreciation and amortization	2,245	2,329
Total operating expenses	<u>84,770</u>	<u>76,007</u>
Income before taxes	10,640	7,818
Provision for income taxes	3,232	2,657
Net Income	<u>\$ 7,408</u>	<u>\$ 5,161</u>
Earnings per share - basic	\$ 13.05	\$ 9.35
Earnings per share - diluted	\$ 12.78	\$ 9.11

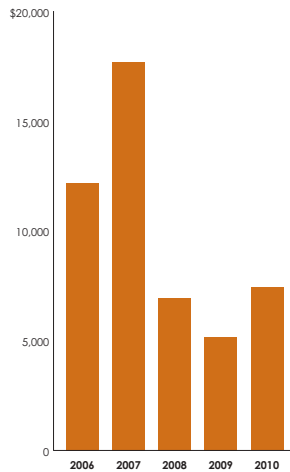
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>In thousands</i>	Year ended December 31	
	2010	2009
Cash Flows from Operating Activities		
Net income	\$ 7,408	\$ 5,161
Non-cash items and changes in assets and liabilities	(1,151)	1,315
Net cash provided by operating activities	6,257	6,476
Cash Flows from Investing Activities		
Proceeds from sales and maturities of investments	15,214	19,307
Distributions from investments	2,810	2,402
Purchases of investments	(18,807)	(19,444)
Capital expenditures	(1,679)	(2,034)
Net cash (used in) provided by investing activities	(2,462)	231
Cash Flows from Financing Activities		
Cash dividends paid	(8,531)	(2,761)
Principal payments on notes payable	(78)	(78)
Issuance (repurchase) of common stock for savings plan	605	(643)
Proceeds from exercise of stock options	1,170	1,067
Repurchase of common stock	(851)	(697)
Net cash used in financing activities	(7,685)	(3,112)
Net (decrease) increase in cash and cash equivalents	(3,890)	3,595
Cash and cash equivalents at beginning of year	24,003	20,408
Cash and cash equivalents at end of year	\$ 20,113	\$ 24,003
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for income taxes	\$ 2,937	\$ 1,820
Cash paid during the year for interest	\$ 73	\$ 40

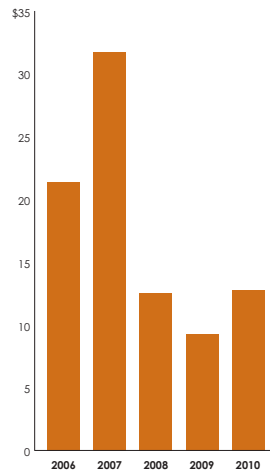
These financial statements are a condensed version of statements that have been audited by Glenmede's independent auditors.

This summary presentation of the financial statements is designed to serve your needs. Should your interest extend beyond this level of detail, the full financial statement report is available to clients upon request to the Chief Operating Officer.

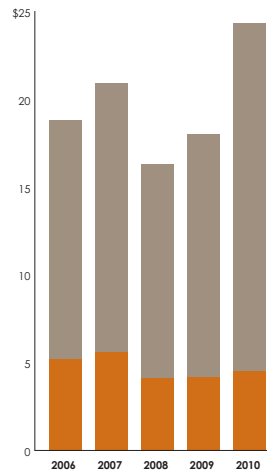
Net income
(in thousands)



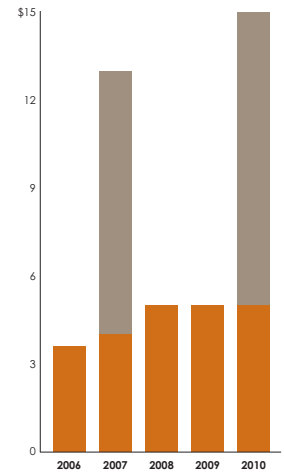
Earnings per share



Assets under management
(in billions)



Dividends per share



The Glenmede Organization

Net income earned by The Glenmede Corporation for 2010 totaled \$7.4 million, an increase of 42% when compared to the \$5.2 million reported for 2009. Higher market valuations and new business development contributed to a 10% increase in the market value of Glenmede's assets under management. Diluted per share earnings were \$12.78 and \$9.11 in 2010 and 2009, respectively, reflecting the increase in net income.

The Business

The Glenmede Trust Company, N.A. provides investment and wealth management services for high net worth individuals, families, foundations, and endowments. These services include investment management, fiduciary administration, and specialized advice in financial planning, tax, estate, and philanthropic matters. At the close of 2010, the Company had more than 1,750 client relationships representing \$19.8 billion in assets under management.

Glenmede has served as the trustee for The Pew Trusts since 1956. At the end of 2010, the market value of The Pew Trusts' portfolios, included in assets under management, totaled \$4.5 billion.

The Company's registered investment advisor, Glenmede Investment Management LP (GIM), is the advisor for \$5.0 billion of client assets, including \$3.0 billion for The Glenmede Funds, Inc. and the Glenmede Portfolios (the "Funds"). GIM also manages assets under specific investment mandates as engaged by consultants and managed account platforms. In addition, Glenmede's firmwide investment process is supported by GIM's extensive quantitative and fundamental research efforts.

Glenmede also utilizes outside managers within diversified asset allocation strategies. At the end of 2010, \$6.3 billion of total client assets were managed by third parties selected and supervised by Glenmede's Manager Research team.

Revenue

Revenue for 2010 was \$95.4 million, an increase of 14% from 2009. A favorable investment climate and positive business development results both contributed to higher levels of fee revenue. Other revenue sources included realized gains in the corporate investment portfolio that were \$2.2 million higher than 2009. Gains realized in 2010 arose from the sale of assets within the portfolio and equity earnings on private investment holdings.

Fee Revenue

Fee revenue for 2010 was \$90 million, an increase of \$9.3 million (12%) from 2009. Client service fees, excluding revenue from The Pew Trusts, totaled \$76.1 million in 2010, an increase of \$7.8 million (11%) from 2009. Substantially all fee revenue is earned based on the market value of client assets under management. The 2010 increase in revenue was aided by appreciation in the equity markets that began in the second half of 2009 and continued throughout 2010. While there was fluctuation in the markets throughout the year, 2010 ended with a 15% total return in the S&P 500 index. At the same time, a record number of new client relationships came to Glenmede and the client retention rate was 98%. Including the effect of net new assets from clients, annualized fee revenue at the end of 2010 marked a 9% increase over the end of 2009.

The trustee fee earned from The Pew Trusts increased to \$13.9 million in 2010 compared to \$12.4 million in 2009. The revenue increase was principally driven by an 8% increase in the market value of the related portfolios to \$4.5 billion at the end of 2010. An increase in the trustee fee rate at the start of 2010, the first step in a phased increase in the total fee, accounted for approximately one-third of the additional revenue. The trustee fee rate may vary in the future depending on a number of factors including, but not

limited to, the strategic asset allocation and manager selection process. Over time, the balance between internal and external managers will change based on tactical decisions within the strategic asset allocation policy.

Mutual fund fees are earned for advisory and administrative services provided to the Funds. Assets in the Funds totaled \$3.0 billion at the end of 2010 compared to \$2.8 billion at the end of 2009. Mutual fund fees for 2010 totaled \$11.4 million, an increase of 13% from 2009, reflecting the overall higher level of assets and a shift within the fund family from cash and fixed income vehicles into equity strategies that carry a higher fee.

As of December 31, 2010, aggregate client commitments to Glenmede's real estate and private equity funds-of-funds totaled \$267.1 million. Fees from private equity and real estate advisory assignments and funds-of-funds management totaled \$1.9 million in 2010, compared to \$1.7 million in 2009.

In the summer of 2010, Glenmede launched its proprietary hedge fund-of-funds, known as Liberty Special Strategies. Subsequent to the end of the year, total assets in this investment product exceeded \$40 million.

FEE REVENUE

In millions, except as noted

	2010			2009		
	Wealth Management and GIM Clients	The Pew Trusts	Total	Wealth Management and GIM Clients	The Pew Trusts	Total
Investment advisory and trust fees	\$ 64.7	\$ 12.0	\$ 76.7	\$ 58.2	\$ 10.7	\$ 68.9
Mutual fund fees	9.5	1.9	11.4	8.4	1.7	10.1
Private investment fees	1.9	-	1.9	1.7	-	1.7
Total fee revenue	\$ 76.1	\$ 13.9	\$ 90.0	\$ 68.3	\$ 12.4	\$ 80.7
Assets under management (billions)	\$ 15.3	\$ 4.5	\$ 19.8	\$ 13.8	\$ 4.2	\$ 18.0

Income from Philadelphia International Advisors, LP

Glenmede is a limited partner in Philadelphia International Advisors, LP (PIA), a provider of international equity management and sub-advisor to the Glenmede International Fund. In 2010, Glenmede recognized equity earnings of \$2.4 million, consistent with earnings in the prior year. At the end of 2010, the market value of assets under management by PIA stood at \$6.3 billion, a decline of 5% from the end of 2009. The reduction reflects client attrition during 2010. Although client withdrawals have continued early in 2011, the resulting effect on Glenmede's earnings is not material. PIA management expects the ongoing risk of client attrition to be mitigated by improved three-year investment results and new product development.

Interest and Dividend Income and Net Securities Gains and Losses

Glenmede's diversified investment portfolio is managed for long-term capital appreciation. Interest and dividend income in 2010 remained consistent with 2009 levels. Gains and losses realized in the portfolio fluctuate depending on the number of transactions and valuations in the securities markets. Net realized gains totaled \$1.7 million in 2010 compared to a net loss of \$0.6 million reported in 2009. The 2010 amount includes \$1 million in realized gains on the sale of securities for which other-than-temporary impairment was recorded in a prior year. Also included is equity in earnings of alternative asset investments, which produced \$0.7 million in income in 2010, compared to a loss of \$0.8 million in 2009.

Expenses

Operating expenses increased \$8.8 million (12%) to \$84.8 million in 2010. This spending was reflective of both a full year of operating costs for Glenmede's new presence in New York City, which commenced operations in November 2009, and higher compensation costs. Compensation and benefits represented 67% of total operating expenses for 2010 and increased \$6 million (12%) in 2010 compared to 2009.

Base compensation costs increased 6%, reflecting salary increases and selective staff additions. Benefits expenses declined compared to 2009, as lower defined benefit pension costs resulted from the improved funded status of the Corporation's defined benefit plan and the full-year effect of a reduced defined contribution match.

Variable and long-term incentive compensation expense increased \$4.7 million on strong business development results and achievement of defined performance objectives, including investment results and financial and strategic objectives. A business priority in 2010 was to restore bonus earnings potential for the broad base of officers in the Company following cost containment measures in 2009 that reduced the total bonus opportunity. The higher level of spending in 2010 reflected the achievement of goals linked to that bonus potential.

The most significant increase in other spending was in marketing initiatives. Accompanying the launch of the New York City office was a comprehensive marketing campaign that yielded a higher level of new and prospective clients throughout the country. Excluding costs directly related to these initiatives, other operating expenses increased 3.3%.

Liquidity and Capital Resources

At the close of 2010, Glenmede's balance sheet remained liquid with cash and cash equivalents, marketable securities, and fees receivable totaling \$69.1 million, net of borrowings. Capital adequacy is an especially important factor for a regulated financial services company. The Glenmede Trust Company, N.A. is regulated by the Office of the Comptroller of the Currency and continued to exceed all minimum capital requirements established by the regulator throughout 2010 and 2009.

Glenmede generated cash flow from operations in 2010 and 2009 of \$6.3 million and \$6.5 million, respectively. Although net income increased compared to 2009, the change was comprised principally of non-operating activity such as net

securities gains. As of December 31, 2010, investments included securities available for sale with a fair value of \$40.9 million that are managed in a balanced strategy similar to wealth management client accounts. The portfolio also makes investments to support the development of performance track records for new Glenmede investment strategies. Within the balanced portfolio, municipal bonds are selected based on the credit quality of each individual issuer, not on agency ratings or insurance. Securities are carried at fair market value. Net unrealized gains in the portfolio were \$4.8 million at the end of 2010 compared to \$3.5 million at the end of 2009. Investments also included \$7.8 million of limited partnership interests and proprietary private equity, real estate, and hedge funds-of-funds.

Other assets declined by \$1.0 million in 2010, primarily as the result of the reduction in the deferred tax asset, which is largely comprised of the estimated future tax benefits of transactions involving retirement plan liabilities, unrealized gains on marketable securities, and other-than-temporary impairment on investment securities.

As of December 31, 2010, liabilities included \$25.3 million of obligations associated with retirement plans. This amount includes the difference between the projected benefit obligation for the qualified pension plan (\$56.7 million) and the fair value of plan assets (\$46.4 million) as of December 31, 2010. The projected obligation for non-qualified retirement plans amounted to \$15 million at the close of 2010. Pension obligations are long-term in nature and will be satisfied in the future through cash contributions to the plan, investment returns, and ongoing management of retirement benefits in relation to total compensation. Qualified pension contributions in 2010 totaled \$4.0 million.

Glenmede provides share-based awards to align employee interests with those of its shareholders and to promote achievement of the Company's objectives. As of December 31, 2010, there were 38,984 stock options outstanding, all of which were exercisable and expire between 2012 and

2014. Non-vested equity awards carry vesting terms that are tied to the provision of service (time-based vesting) or tied to the achievement of long-term performance objectives as defined by the Board of Directors. Non-vested awards totaled 39,933 shares as of December 31, 2010, with vesting through 2015. Approximately 71,000 shares remain available for future grant under these programs.

The Glenmede Corporation paid dividends for the 49th consecutive year in 2010. In addition to the regular annual dividend of \$5.00 per share, a special dividend of \$10.00 per share was paid in September of 2010. Total dividends during the year, including those on non-vested equity awards, totaled \$8.8 million compared to \$2.8 million in 2009.

As of December 31, 2010, stockholders' equity totaled \$65.5 million; common stock outstanding totaled 555,628 shares, and an additional 115,366 shares were held in treasury. Treasury shares are held for future issuance through employee compensation and benefit plans; a total of 16,885 shares were issued for that purpose during 2010.

Including the effect of non-vested share awards and unexercised options, diluted earnings per share for 2010 was \$12.78 (\$9.11 in 2009), as compared to basic earnings per share of \$13.05 (\$9.35 in 2009). The increase in basic and diluted earnings per share is primarily attributed to the increase in net income.

Regulation and Risk Management

2010 brought reform to the financial services industry in the form of the Dodd-Frank Act. This Act entails extensive new regulatory and compliance requirements. For Glenmede, as a regulated trust company (and not a commercial bank), the new rules did not, nor are expected to, have a significant impact on the Company's operations.

Also in 2010, the U.S. Securities and Exchange Commission instituted amendments to the custody rule under the Investment Adviser Act of 1940 that, in the aggregate, are designed to

independently verify the existence of client funds and securities. Glenmede complied with all aspects in 2010. The Company's controls over custody have, for more than a decade, been subject to independent examination. A formal audit report, known as a "SAS 70" report, documents the controls and testing performed to assess the effectiveness of custody and other processes. This report is available upon request.

Glenmede coordinates its efforts in risk management, regulatory compliance, and internal audit to ensure appropriate controls are in place for all areas of operation. A comprehensive business process supports the security, confidentiality, and integrity of Glenmede's corporate and client data.

The business assurance effort is overseen by the Audit Committee of the Board of Directors, and regulatory examinations are conducted by the Office of the Comptroller of the Currency and the Securities and Exchange Commission.

Glenmede has emergency preparedness and business continuity plans in place to minimize a business interruption caused by a loss of function within its office facilities. The technology and staff response supporting business continuity plans are routinely tested in simulations. In both 2010 and 2009, tests were successfully performed to validate Glenmede's ability to conduct operations in the event that its principal business locations are unavailable.

Glenmede Management Committee



*Standing Left to Right: Peter J. Zuleba, III, Howard E.N. Wilson, Susan P. Mucciarone, James R. Belanger, Lisa M. Whitcomb, David R. Prickril
Seated Left to Right: Gordon B. Fowler, Jr., Katherine E. Koch, Stanley Broadbent, Laura A. Williamson, A. Kenneth Belanger, III*

SELECTED FINANCIAL DATA

<i>In thousands, except per share data</i>	Year ended December 31				
	2010	2009	2008	2007	2006
Results of Operations					
Operating Revenue					
Investment advisory, trust and other client service fees	\$ 66,680	\$ 59,911	\$ 63,779	\$ 65,405	\$ 56,614
The Pew Trusts fees	11,993	10,671	12,535	12,261	10,382
Mutual fund fees	11,356	10,093	13,676	17,566	15,476
Equity in earnings of Philadelphia International Advisors, LP	2,421	2,373	3,378	4,130	3,345
Interest and dividend income	1,003	928	1,491	2,144	1,847
Net securities gains (losses)	1,650	(561)	(5,763)	3,324	3,085
Other income	307	410	606	811	1,384
Total operating revenue	95,410	83,825	89,702	105,641	92,133
Operating expenses	84,770	76,007	79,154	77,958	73,349
Income before income taxes	10,640	7,818	10,548	27,683	18,784
Provision for income taxes	3,232	2,657	3,605	10,020	6,610
Net income	\$ 7,408	\$ 5,161	\$ 6,943	\$ 17,663	\$ 12,174
Per Share Data					
Earnings per share	\$ 13.05	\$ 9.35	\$ 12.31	\$ 31.27	\$ 21.19
Earnings per share - assuming dilution	\$ 12.78	\$ 9.11	\$ 11.82	\$ 30.03	\$ 20.56
Cash dividends paid	\$ 15.00*	\$ 5.00	\$ 5.00	\$ 13.00*	\$ 3.60
Balance Sheet					
Assets	\$ 97,438	\$ 95,292	\$ 92,877	\$ 90,900	\$ 88,696
Liabilities	\$ 31,967	\$ 31,912	\$ 38,097	\$ 22,323	\$ 29,326
Stockholders' Equity	\$ 65,471	\$ 63,380	\$ 54,780	\$ 68,577	\$ 59,370

* Includes the effect of special dividends paid in 2010 and 2007 of \$10 and \$9 per share, respectively.

THE GLENMEDE TRUST COMPANY, N.A.

EXECUTIVE OFFICE

Gordon B. Fowler, Jr.
President and Chief Executive Officer,
Chief Investment Officer^{1,2}

Laura A. Williamson
Chief Operating Officer¹

Howard E. N. Wilson
Executive Director of Relationship Management

The Pew Trusts Investment Management
Managing Director: Stephen C. Lehman
Vice President: Christopher M. Zafriou

WEALTH MANAGEMENT

Philadelphia, Pennsylvania

Relationship Management – Wealth Advisory
Susan P. Mucciarone, Managing Director

Managing Directors: Nina L. Cohen, Glenn A. Deibert,
Letitia A. Ewing, Michael A. Howitz, James N. Mercer,
Melinda G. Rath, Edwin H. Rouh, Jr., David R.
Schwartz, Joseph J. Stoll

Vice Presidents: Stacy J. Martin, Louis B. Miller,
Michelle F. Stauffer, Gale Rue Terrill

Officers: Elizabeth C. David, Barbara B. Hill,
Wanda S. Jones, Melanie Redmond Quackenbush

Relationship Management – Portfolio Management
David R. Prickril, Managing Director

Managing Directors: Matthew J. Cross, Russell E.
Holladay, Juliana S. Karnavas, Robert P. Kiep, III,
Timothy M. Woolley

Vice Presidents: Fareeha N. Arshad, Luke H. Borda,
John P. Bye, Michael R. Gallagher, Scott L. Gilleland,
Frederick L. Haack, III, Karen J. Vesely, J. Sergeant
Pepper, Dennis E. Riley, Laura J. Seltzer

Officer: Brandon R. Shuler

New Business Development and Marketing

Managing Directors: Stanley Broadbent,
Susan W. Worteck

Vice Presidents: Christine A. Dragoun, Karl S. Murray,
A. Hobart Porter, Huldah A. Robertson, Melissa B.
Stonberg, Philip Wachs

Officers: Kristine Plourde Golden, Rosemarie Rauser

Cleveland, Ohio

Frank I. Harding, III, Managing Director

Relationship Management

Managing Directors: Doris A. Hogan,
Paul D. Neidhardt, Uma M. Rajeshwar

Vice Presidents: Richard J. Auth, Deborah P. Cugel,
Marianne H. Gymer, Janet W. Havener, Tracy A.
Jemison, II, Robert M. Siewert, John D. Southworth

Officers: Jeannine L. Brzezinski, Wendy S. Lewis

New Business Development

Vice President: Linda M. Olejko

Morristown, New Jersey

Adam G. Psichos, Managing Director

Relationship Management

Vice President: Gary E. Walker

Officers: Kathleen M. Murphy, William M. Robb

New Business Development

Vice President: Joseph M. Gazdalski

New York, New York**Relationship Management**

Managing Directors: Lee P. Miller, Glenn N. Switzer

Vice President: Richard Gale

New Business Development

Managing Director: Steven J. Brandfield

Princeton, New Jersey

John S. Phillips, Managing Director

Relationship Management

Vice Presidents: Susan E. Dardes, C. Bruce Foulkrod,
Richard N. Gorda, Dennis L. Walsingham,
A. John Wright

Officers: Leonie M. Bathersfield, Christopher A. Drake

New Business Development

Vice President: Frederick O. Young

Wilmington, Delaware

Geoffrey M. Rogers, Managing Director

Relationship Management

Managing Directors: E. Matthew Brown, Neal J. Howard,
William F. Krauss

Vice Presidents: Margaret H. Kelly, Carol D. Reid,
Charles M. Rombach

WEALTH STRATEGY

Lisa M. Whitcomb, Managing Director

Managing Directors: Charles M. Aulino, Melissa L. Burke, Robert M. Maxwell

Vice Presidents: William J. Christy, Kathleen M. Fiorentino, Paul L. Keperling, Jeannette M. Leighton, Francis X. Mehaffey

Officers: Jeffrey L. Biberman, Jeffrey P. Dowds, Kenneth Hunter, Steven Kawajiri, Anten Kraemer, Chanae Riddick

INVESTMENT ADVISORY

Managing Directors: Benjamin Alimansky, Laura LaRosa Armstrong², Thomas C. Huber, Scott W. McGough, Jason D. Pride, Kenneth B. Trippe

Vice Presidents: Anthony J. Albuquerque, John W. Church, Adam M. Conish², Diane Sterthous

Officers: Casey C. Clark², Nicholas H. Heard

OPERATIONS AND TECHNOLOGY

Katherine E. Koch, Managing Director

Managing Directors: Phyllis R. Simirglia, Nicholas W. Voutsakis

Vice Presidents: Christopher L. Fagley, Gerald S. Littenberg, Deepak K. Patel, Michael K. Serra, Scott A. Sisson

Officers: D. Christopher Apostolu, Michael F. Beck, Linda C. Bellicini, Stephanie A. Brown, Jeffrey M. DePuyt, Eina G. Lawyrsh, Gregory J. Lorditch, Jason H. Pearl, Deborah R. Potter, Erica L. Wilfrid

FINANCE & ACCOUNTING, COMPLIANCE, ADMINISTRATION

Managing Directors: A. Kenneth Belanger, III, James R. Belanger, Corporate Counsel^{1,2}, Raj M. Tewari, Director of Finance¹, Francis P. Thomas, III, General Auditor¹

Vice Presidents: Carile O. Bolton, Mary V. Burke, Corporate Secretary¹, Sara M. Dorsett, Theodore A. Flocco, Controller¹, C. William Hazelton

Officers: George C. Bell, Michael J. Cervasio, Lisa C. Coia, Treasurer¹, Jonathan D. Hill, Marsha A. Perry

¹ Also Officer of The Glenmede Corporation

² Also Officer of Glenmede Investment Management LP

GLENMEDE INVESTMENT MANAGEMENT LP

OFFICERS

Chief Investment Officer: Gordon B. Fowler, Jr.³

Chief Administrative Officer: Mary Ann B. Wirts³

Director of Equity Management: Peter J. Zuleba, III³

Director of Quantitative Research: Vladimir deVassal

Chief Compliance Officer: Marlene Timberlake D'Adamo³

Portfolio Management: Christopher J. Colarik, Michael C. Crow, Adam T. Douberly³, Sean E. Heron³, Stephen J. Mahoney, Robert J. Mancuso, Paul T. Sullivan, John F. Thomas, Wade Wescott

Research: Alexander R. Atanasiu, Cynthia R. Axelrod, R. Bradford Hoopman, John R. Kichula, Mark D. Livingston

Equity Trading: Anthony K. Iuliano, DonnaKay Tiller

Client Services: Rosemarie J. Kane, Kimberly C. Osborne, Stacey S. Zelten³

Consultant Relations: Joseph D. Shelly

³ Also Officer of The Glenmede Trust Company, N.A.

THE GLENMEDE TRUST COMPANY, N.A.

BOARD OF DIRECTORS

Norman T. Callaway⁴

Director since 1993
Chief Executive Officer,
N. T. Callaway Real Estate, L.L.C.

Susan W. Catherwood⁴

Director since 1988
Director, The Glenmede Fund, Inc. since 2007
Trustee, The Glenmede Portfolios since 2007

Rhonda R. Cohen

Director since 2008
Former Partner, Ballard Spahr LLP

Gordon B. Fowler, Jr.

Director since 2010
President, The Glenmede Corporation
President and Chief Executive Officer, Chief Investment
Officer, The Glenmede Trust Company, N.A.

Aristides W. Georgantas⁴

Director since 1998
Retired Executive Vice President,
The Chase Manhattan Bank
(now J. P. Morgan Chase & Co.)

Ronald J. Naples

Director since 2006
Former Chairman and Chief Executive Officer,
Quaker Chemical Corporation

G. Thompson Pew, Jr.

Director since 1990
Director, The Glenmede Fund, Inc. since 1988
Trustee, The Glenmede Portfolios since 1992
Investments/Consulting

James S. Pew

Director since 2005
Staff Attorney, Earthjustice

J. Howard Pew, II⁴

Director since 1977
Former Chairman of the Board,
The Pew Charitable Trusts

J. N. Pew, 3rd⁴

Director since 1956

J. N. Pew, IV, M.D.⁴

Director since 1988
Chairman, The Glenmede Trust Company, N. A.

R. Anderson Pew⁴

Director since 1967
Retired Director, Sunoco, Inc.
Retired Chief Executive Officer, Radnor Corporation
Retired President and Treasurer, Helios Capital
Corporation

Richard F. Pew⁴

Director since 1993
Businessman/Rancher

John F. Porter, III⁴

Director since 2000
Retired Chairman and Chief Executive Officer,
The Delaware Trust Company (now Wells Fargo)
Director and Former Chairman of the Board,
The Nemours Foundation
Trustee, Alfred I. duPont Testamentary Trust

Robert G. Williams⁴

Director since 1993
Chairman, The Glenmede Corporation
Retired Chairman, Markel Corporation
Retired Vice Chairman, Girard Bank
(now The Bank of New York Mellon)

Ethel Benson Wister⁴

Director since 1972

⁴ Also Director of The Glenmede Corporation

Independent Auditors
Ernst & Young LLP
Philadelphia, Pennsylvania

