WHAT SETS GLENMEDE APART IS
what defines us as an organization

We are a company of reliable stewards who seek to provide innovative solutions and the highest level of investment and wealth management services for our clients: individuals, families, endowments, foundations, institutional investors and consultants.

OUR COMMITMENT

EXCELLENCE WITH INTEGRITY
We strive for the best outcomes with the highest level of ethical and intellectual integrity.

AGILITY
Our size is a strength. We can nimbly solve problems, address needs and adjust in a rapidly changing environment.

STEWARDSHIP
As good stewards, we take responsibility for the success and growth of our clients, our corporate culture and our community.
### 2018 ANNUAL REVIEW

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Contrary to the proverb, 2018 markets came in like a lamb and out like a lion. Stock indices and the economy began ebulliently on the heels of a corporate tax cut and strong global growth. By the end of the year, however, concern about Federal Reserve tightening, trade tensions and uncertain political climates in the United States and Europe left markets discouraged.

Glenmede has always approached volatility with a steely-eyed resolve to uphold two core principles: a long-term and opportunistic view toward investing for our clients and a strong commitment to proactive service and advice. Both principles allow clients to participate in prosperous markets, while also protecting and preserving their wealth if the markets were to decline.
FINANCIALS IN SUMMARY

Glenmede’s financials were strong in 2018 due to relatively high market levels early in the year and growth in our Private Wealth and Endowment & Foundation client segments. Glenmede Investment Management LP, which distributes investment funds and strategies to other institutions, experienced more modest revenue growth relative to past years as market returns were partially offset by outflows from investors trimming their exposure to equity investments.

Net income reached a record $51.1 million for the year, a 65 percent increase from 2017. This was driven by two factors: a lower corporate income tax rate and higher operating income. Net operating income reached a record level of $61.6 million, a 14 percent increase over the prior year, and our operating margin reached a record 29 percent. We seek to strengthen our operating margins in rising markets to both maintain organizational stability during less favorable periods and invest in people and infrastructure to benefit clients now and in the future.

2018 ACCOMPLISHMENTS AND INITIATIVES

Throughout the past year, we made important investments in our ability to deliver services to current and prospective clients. To that end, we expanded our team of professionals in Washington, DC, and began building out our new office in Palm Beach, Florida.

Further, our integration of the Goals-based Wealth Review culminated in 2018 with more than 300 reviews completed for Private Wealth clients. The Goals-based Wealth Review stimulates actionable discussions with family members, advisors and Glenmede Relationship Managers to quantify lifestyle, legacy, philanthropic and investment goals, and provides a comprehensive framework for ongoing decision-making. This approach was well-received and contributed to our robust Private Wealth business result for the year.

One aspect of Glenmede’s growth that transcends all business segments is the rising interest in impact-oriented investments. Impact investing, which aligns one’s values and investments has entered a golden age buoyed by increased investor demand, product development and research. By our measure, approximately 18 percent of new Glenmede Trust Company business in 2018 was associated with interest in our impact investing leadership and capabilities. In addition, two of our impact-oriented strategies, Women in Leadership and Responsible ESG, completed their first three years of performance with competitive returns.

In 2018, we continued to make significant investments in our technology platforms. Our strategy has been to consolidate our infrastructure with several market-leading, cloud-based technologies that allow for seamless migration to next-generation versions. Several of our systems saw meaningful upgrades, including our client portal and relationship management software. Looking ahead, we laid the groundwork for a more versatile trading and portfolio management platform and advanced capabilities in areas such as electronic signature integration, client reporting and data warehousing.
Finally, we launched a strategic alliance with Stonehage Fleming, an international multifamily office with a presence in the U.K., Europe, the Middle East, Canada and South Africa. We have seen a growing client need for multinational family wealth advice and services. Similarly, there is an increasing demand for U.S.-based trust and investment services among Stonehage Fleming client families. The alliance is anchored by a shared commitment to independent ownership, innovation, first-class business practices and values that prioritize excellence, integrity, agility and stewardship.

One aspect of Glenmede’s growth that transcends all business segments is the rising interest in impact-oriented investments.

MILESTONES AND TRANSITIONS

The end of 2018 marked the completion of a significant transition for Glenmede’s senior management team. Laura Williamson, Chief Operating Officer and Management Committee member, retired after more than 25 years with our firm. While the role of a COO is not always visible outside an organization, Laura influenced nearly every significant business decision at Glenmede over the past decade. We are incredibly grateful for her contributions, not the least of which was to oversee a carefully considered succession plan and gradual transition.

In addition, Neal Howard, Chief Fiduciary Counsel and resident legal and history scholar, and Tish Ewing, a senior Wealth Advisor, also retired in 2018. Both were widely respected for their ability to balance complex fiduciary law with a practical understanding of its application. Neal and Tish worked tirelessly on behalf of their clients and exemplified the importance of experienced advice.

Chip Wilson, who served as Executive Director of Relationship Management and as a member of our Management Committee, is returning to Florida as Regional Director to spearhead the growth and development of the Palm Beach office. Chip is a consummate professional, known as a dedicated advocate of client interests and for his ability to inspire our professionals to deliver the highest levels of service with integrity.

Finally, Robert Williams retired from the Glenmede Board in April 2018 following 25 years of service, including as Chairman of both The Glenmede Trust Company and The Glenmede Corporation. Throughout his tenure, Bob drew on his extensive experience in the private wealth and investment industry to provide wise counsel and thoughtful guidance.

While it can be bittersweet when colleagues retire or transition, we plan for succession by identifying and developing talent well in advance. Laura LaRosa and Susan Mucciarone, veteran Management Committee members, have been appointed Executive Director of Client Development and Executive Director of Private Wealth, respectively. Raj Tewari, who joined
Glenmede in 2000, has been appointed Chief Operating Officer and Management Committee member, having led our Finance and Operations departments. Ann Marie Bell, a current Management Committee member, has been appointed Director of Engagement, a discipline that includes Human Resources, Marketing and the Office of the Corporate Secretary. I am proud to report that this commitment to nurture and develop talent extends throughout our organization.

LOOKING FORWARD

Mark Twain is reputed to have said that if you do not like New England weather, you should wait a few minutes. Over my career, the same could probably be said of the equity markets. Although the data does not support this observation, it certainly feels as if the economy and markets have become more prone to volatility. To a certain degree, we like volatility because it creates opportunities. Nonetheless, big drops in asset values have real-world consequences, and we remain committed to a disciplined focus on risk management. Regardless of whether more interesting or volatile times are afoot, Glenmede’s mission is to be an organization that institutions, individuals and their families can depend on through all market cycles.

GORDON B. FOWLER, JR.
President and Chief Executive Officer
Global private investment markets are attracting record levels of investors, pushing assets under management to an all-time high of $5.2 trillion.¹ Relative to public markets, this performance remains compelling to investors with long time horizons, and 46 percent of these investors plan to increase their allocation over the long term.²

With private investments experiencing a renaissance, now is an opportune time to assess the factors shaping the current landscape, debunk misconceptions about the asset class and evaluate the benefits and boundaries of private investing. In this discussion, private investments refers to venture capital, buyouts, growth capital, infrastructure and equity real estate investments not traded on public exchanges.

²“Alternatives in 2019.” Preqin.
WHAT IS DRIVING GROWTH IN PRIVATE INVESTMENTS?

As alpha—excess investment return—becomes more elusive, investors are seeking public market alternatives. With today’s relatively high public equity valuations, rising bond yields and uncertainty about global economic and trade policies, private investments offer an attractive source of less-correlated, long-term returns while dampening short-term volatility.

In addition, the number of stocks listed on U.S. exchanges has declined 50 percent since 1996.³ Mergers and acquisitions, management buyouts, share buybacks and longer incubation periods before initial public offerings have tightened the supply of

³“Where Have all the U.S. Public Companies Gone?” Bloomberg Editorial Board. April 9, 2018.
publicly traded equities. Today’s IPO rate is less than half that of the late 20th century, as disruptors like Dropbox attract tens of billions of dollars while remaining private. A cohort of high quality, well-run businesses may never go public.

The result is a shrinking supply of publicly traded shares, an increasing number of private investment opportunities and rising demand from institutional investors. Armed with ample and patient capital and long-term liability and capital-preservation objectives, the private ownership model offers investors a growth-oriented return premium.

DEBUNKING COMMON MYTHS

The private investment market has evolved since it first captured the media’s attention in the late 1970s, yet the asset class remains misunderstood. Four of the most persistent myths are explored below:

MYTH #1:
Private investments always use leverage and cut costs for a quick profit.

Modern private investments frequently focus on long-term growth, not short-term restructuring. The typical private investment fund has a ten-year lifecycle and a four- to five-year hold time. By contrast, the average investor hold time of a public stock is now 22 seconds. The private investment model favors growth and value creation. Unconstrained by short-term performance goals, private investment sponsors have time to build out the companies they target. Environmental, social and governance (ESG) best practices, which decrease operational, reputational and regulatory risks, and contribute to positive long-term performance, are often integrated into their approach.

MYTH #2:
Private investments are exotic and complex.

Private investments need not be exotic or complex. There are generally no derivatives or esoteric financial theories involved. The model is straightforward: invest in a business, manage and grow it over several years and sell it for a profit either privately or through a public offering. The term “exotic” is a vestige of the 20th century when non-publicly traded investments were not included in traditional asset allocation models. Today, the preferred term is “alternative,” which reflects the diversifying risk/return characteristics of private investments relative to public markets. These alternative investments are often an integral component of allocation models for institutional and individual investors.

Unlike private investment mega-funds, we are not constrained by requirements to make capital investments by specific dates.

MYTH #3:
All private investments are alike.

Private investments are not limited to tech startups or distressed companies. The opportunity set is diverse in scope and deal structure. Private investments cover the full spectrum of the global economy at all stages of the business lifecycle, from mature, international companies seeking succession strategies, to movie and

4Ibid.
music rights, to U.S. shale oil technology and emerging market infrastructure ventures. The depth and breadth of private investment opportunities, many uncorrelated to public markets, offer a level of return potential and risk protection distinct from other asset classes.

**MYTH #4:**
Private investments are always volatile.

Private investments can offer a smoother ride than the public markets, especially during volatile periods. The nature of private investments allows investors to be disciplined. Capital is committed for the long term, avoiding the market-timing risks associated with traditional equity and fixed income strategies. These investments may provide downside risk protection during chaotic market environments.

**BENEFITS AND BOUNDARIES FOR INVESTORS**

Private investments offer many benefits and can deliver an attractive risk/reward profile that increases diversification, is less correlated with the public markets and buffers total portfolio risk. Additionally, private investments provide an opportunity for direct participation in innovation and value creation with more management input relative to public equity ownership.

However, private investments are not appropriate for everyone and are only available to those who meet specific criteria, including substantial minimum-capital commitments and tolerance for long-term illiquidity. Investors must evaluate fund managers for risk exposures that can be difficult to control or value, and careful tax planning is necessary as participation in private investment partnerships have complex reporting and filing requirements.

**GLENMEDE’S APPROACH TO PRIVATE INVESTING**

Glenmede has managed private investment strategies for institutions and accredited individuals for over 25 years. Our reputation as a pedigreed partner and a reliable source of capital provides coveted access to premier sponsors and institutional-quality investment opportunities. This is particularly important in private markets, as we have observed that good managers tend to persist in their ability to deliver alpha.

As a midsized manager with a dedicated team and research capabilities, we have the critical mass required to evaluate and participate in a diverse opportunity set.

Unlike private investment mega-funds, we are not constrained by requirements to make capital investments by specific dates. Instead, we strategically invest when markets are particularly attractive. We seek growth across all sectors and geographies and believe the potential of private impact investments in developing economies is especially compelling.

**THE BOTTOM LINE**

Private investments can provide a less-correlated source of alpha and downside risk protection for suitable longer-term investors able to tolerate illiquidity. With global institutional investors leading the way, private investments have evolved toward a more transparent business model that favors experience, reputation and quality. As a preferred investor for premier private investment sponsors, Glenmede remains committed to an opportunistic approach that seeks growth and value creation in alignment with client objectives and risk tolerance.
The world is changing, and the nature of family life is evolving. An increasingly global economy, ease of international travel and widespread access to mobile and digital communication are extending the geographic reach of families.

These opportunities come with unique challenges. Income and estate tax planning; asset, real estate and investment management; family trust administration and governance; and banking, brokerage and gift-giving transactions all become exponentially more complex when undertaken in the context of multiple U.S. and foreign legal and tax jurisdictions. Importantly, maintaining healthy family dynamics and a shared sense of purpose requires special effort for multi-generational families living on different continents, especially as they seek to prepare successor generations for responsible stewardship of the family legacy.

For multi-generational clients of wealth, an overseas family member affects the estate and legacy plans of every generation, from the founders to grandchildren and beyond.
For multi-generational clients of wealth, an overseas family member affects the estate and legacy plans of every generation, from the founders to grandchildren and beyond.
THE EVOLUTION OF THE CROSS-BORDER FAMILY

Today, many families have members living, working and retiring abroad. At the same time, more foreign-born individuals and families are drawn to the stability, regulatory strength and tax environment of the U.S. While strategic expatriation or retirement can be planned for, many families find they have little lead time before needing to navigate cross-border circumstances. That was the case when the London internship of one client’s grandson concluded with a permanent job offer. For another, a daughter’s short-term rotation to a Johannesburg subsidiary quickly became a permanent relocation when she married a South African co-worker. In such instances, families must quickly consider the tax regimes of varying jurisdictions, particularly as they plan for the management and distribution of wealth.

From Glenmede’s perspective, the possibility of cross-border complications may be revealed through passing conversation, or more formally during an annual Goals-based Wealth Review. Our Wealth Advisors seek to anticipate the short- and long-term implications of an overseas job or marriage and begin the process of identifying the myriad of complex issues and the solutions to best serve the family’s interests.

CREATING A MULTI-GENERATIONAL CROSS-BORDER ESTATE PLAN

For multi-generational clients of wealth, an overseas family member affects the estate and legacy plans of every generation, from the founders to grandchildren and beyond. To protect, preserve, invest and pass on family wealth, sophisticated cross-border estate planning is required. Navigating the different inheritance and transfer-tax regimes across multiple jurisdictions can be among the most complicated issues families face, especially if members immigrate to another country.

Why is this so complicated?

In most common-law regimes, including the U.S., the estate pays taxes before assets are distributed according to the wishes of the grantor, who has broad discretion in naming inheritors. However, civil-law regimes, which include most European countries, follow the Napoleonic Code. Under civil regimes, heirs are determined by strict laws of family succession, and heirs—not the estate—pay the taxes when assets are distributed. Importantly, the common-law concept of a trust has little legal standing in many civil regimes, so establishing alternative estate and gift-giving vehicles may be necessary.

International families in the U.S.

One family’s move to the U.S. required months of planning and coordination. Foreign attorneys and accountants guided decision-making about exit taxes and currency controls, and U.S. attorneys created the necessary U.S. trust and closely held corporate structures. Pre-existing trusts were moved to the U.S., where Glenmede could serve as the trustee and investment advisor, and manage the family’s assets, shepherd their trusts, and quarterback ongoing relationships with their other advisors.

Non-U.S. spouse

When a U.S. citizen marries a foreign national or legal permanent resident of the U.S., careful tax planning is required to ensure the non-citizen spouse receives the same tax benefits that would accrue to a citizen spouse. In these cases, Glenmede frequently establishes a Qualified Domestic
Trust and serves as trustee to facilitate tax-exempt distributions of income and assets to the spouse.

MANAGING FINANCIAL LIFE IN A NEW COUNTRY

When a family member moves to a different country, they face immediate financial challenges. First among them is maintaining cash flow. Establishing a banking relationship in the U.S. is relatively easy, but many other countries have stringent requirements. In addition, local and home-country taxes may affect the net amount received from gifts, trust distributions or home-country retirement schemes. Living abroad also has investment implications. Portfolio allocations must align with new short- and long-term wealth objectives, and examine potential investments in local retirement funds, securities markets and real estate. Finally, real-time access to comprehensive investment and financial information is necessary to facilitate budgeting, planning and informed decision-making.

The family’s Relationship Manager provides referrals to trusted partners, mobilizes in-house tax and investment planning resources and partners with local experts to develop tax-aware solutions. For clients making a permanent move, we also arrange introductions to qualified legal counsel. All clients have secure 24/7 access to their consolidated financial information through WealthView, including assets held at Glenmede, as well as those held externally.

PRESERVING FAMILY VALUES

One of the most important—and overlooked—subtleties for parents, siblings and children living on different continents is the change in family dynamics. Even with social media and digital technology, maintaining relationships across multiple time zones can be challenging. News may travel quickly, but opportunities for the stories and conversations that bind families require nuance and time. Shared values about the purpose of family wealth can become difficult to sustain as grandchildren come of age in different social and cultural environments.

The Glenmede Relationship Manager often serves as the family’s Chief Communications Officer. Ever mindful of our responsibility to act in clients’ best interests, we arrange annual family meetings, ensure everyone is informed of news affecting the family wealth and facilitate online and onsite tutorials to prepare younger generations for the responsibilities that come with wealth and legacy management.

Today, many families have members living, working and retiring abroad.

A CONSTANT: GLENMEDE’S COMMITMENT

As the challenges of multi-generational cross-border families evolve, Glenmede will continue to anticipate their needs and expand our service capabilities. In a changing world, we remain steady in our commitment to provide forward-thinking advice and innovative solutions to help families manage, protect and preserve their wealth, wherever life takes them.
In 2018, Glenmede formed a strategic alliance with U.K.-based Stonehage Fleming, one of the world’s leading independently owned family offices, to expand the multinational services both firms provide to cross-border families of wealth.

STRATEGIC VISION
Our shared goal is to expand each firm’s client offerings and geographic capabilities while remaining independently owned and privately held. This alliance is a testament to the growing need to serve clients on a global basis.

ANTICIPATING THE NEEDS OF FAMILIES OF WEALTH
Glenmede’s focus is increasingly international to provide support for individual family members living, working and retiring both in the U.S. and abroad. At the same time, Stonehage Fleming clients are increasingly drawn to the stability, regulatory strength and tax environment of the U.S. Regardless of
location, multi-generational family clients of both firms require sophisticated strategies to help them manage and protect their legacies as they participate in the largest transfer of wealth in history—estimated to be $68 trillion U.S. dollars over the next 25 years.¹

**COMPLEMENTARY SERVICE CAPABILITIES**

Glenmede will offer investment and trust services to Stonehage Fleming clients in the United States, and Stonehage Fleming will offer international family office, trust and investment services to Glenmede clients in the U.K., Europe, the Middle East, Canada and South Africa.

**STRONG STRATEGIC FIT**

In addition to our complementary capabilities and geographic footprints, Glenmede and Stonehage Fleming share a fiduciary heritage that places the client at the forefront. Prior to formalizing our alliance, we developed a working relationship that became the model for how our mutual clients could seamlessly benefit from an expanded range of service offerings.

**HISTORY OF INDEPENDENCE**

Glenmede and Stonehage Fleming are the third- and second-largest independent multifamily offices in the world, respectively.² Privately held, our only objective is to deliver the highest standard of personalized service and thoughtful advice to our clients.

**SHARED VALUES**

Both firms have evolved around a set of common values: a commitment to put our clients first; ethical and intellectual integrity; sound stewardship; and transparency and excellence.

**COMPATIBLE CULTURES**

Each firm maintains a collaborative culture that harnesses the best thinking of specialists and relationship teams. Private ownership allows a long-term view in our investment approach, business planning and operations, which encourages innovation in anticipation of the needs of multi-generational families and flexibility to adapt to external forces shaping those needs.

²Campden FB, April 2018.

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**STONEHAGE FLEMING**

- **FOUNDED**: 1976, Fleming history dating to 1873
- **ASSETS UNDER MANAGEMENT**: USD 12.8 billion*
- **CLIENTS**: 250 substantial client families
- **STAFF**: 560
- **JURISDICTIONS**: U.K., Jersey, Switzerland, Luxembourg, Israel, South Africa, U.S. and Canada

**GLENMEDE**

- **FOUNDED**: 1956
- **ASSETS UNDER MANAGEMENT**: USD 37.2 billion
- **CLIENTS**: 2,000 relationships
- **STAFF**: 400
- **JURISDICTIONS**: U.S.

*USD 55 billion in assets under administration.
The next 25 years will see the largest historical intergenerational transfer of personal wealth. Against a backdrop of accelerating global, technological and economic transformations, generational perceptions of the purpose of wealth are changing.

While each family experiences generational challenges differently, three areas, in particular, require thoughtful consideration and proactive guidance: managing the founder’s transition from wealth accumulation to legacy planning; preparing successor generations to be responsible stewards; and creating a unified vision for the family’s legacy.
Drawing from decades of experience advising multi-generational families at every stage of the wealth lifecycle, we are able to share some observations and illustrate how families can overcome common challenges and create enduring legacies.

FROM ACCUMULATION TO DISTRIBUTION

It is human nature to delay thinking about the future. Shifting gears from wealth builder to wealth distributor can be difficult, especially for baby boomers whose life expectancy and work ethic are redefining the concept of retirement.

This can manifest, for example, in a tendency to emphasize asset growth over legacy and philanthropic planning. A founder’s inclination to maintain the status quo may also narrow the window of opportunity to expose next-gen heirs to the principles of responsible wealth management or to discuss family values and legacy goals.

Family wealth builders must eventually consider the distribution of their wealth. Initial and annual Goals-based Wealth Review discussions encourage prioritizing wealth into three capital pools—lifestyle, legacy and philanthropy—each with its own time horizon, risk characteristics, optimal asset allocations and investment strategies. Deconstructing total wealth into discrete segments can have a transformative effect.

In the ideal case, family values, attitudes and objectives align. In reality, they usually do not.
CASE STUDY: Lifestyle, legacy and philanthropy

One family’s portfolio had a growth-oriented allocation to stocks, bonds and cash, but as they approached midlife, the couple’s objectives diverged. During their annual Goals-based Wealth Review, the husband remained focused on maintaining their lifestyle sufficiency, while his wife wanted to better provide for their children’s future and emphasize her philanthropic interests.

Their Wealth Advisor and Portfolio Manager demonstrated that their assets exceeded their lifestyle needs and quantified the probabilities of successfully achieving a range of lifestyle, legacy and philanthropic goals. Data-driven decision-making and the idea of three “buckets” of wealth reframed the conversation, opening the door to a revised wealth and investment management plan with dedicated investment pools to support a shift to greater emphasis on the philanthropic and legacy objectives.

PREPARING THE NEXT GENERATION FOR RESPONSIBLE STEWARDSHIP

Many parents are uncomfortable discussing wealth and inheritance planning, but failure to do so can create other challenges. Successor generations must be prepared for the responsibilities that come with inherited wealth, both to assure their personal financial sufficiency and assume stewardship of the family legacy. Younger family members need to develop sound financial management habits, understand family values and become familiar with the family’s investment, estate and philanthropic strategies.

All family wealth builders must eventually consider the distribution of their wealth.

Age-appropriate education and ongoing family conversations are essential.

In some cases, the gateway to engaging successor generations is through impact investing, which resonates with the desire to use wealth to effect positive social change. Since Millennials and Gen Z are often more comfortable with peer-to-peer collaboration, online research and digital communication, our team of next-gen professionals conduct individual and group tutorials, seeking to establish personalized communication and long-term relationships.

CASE STUDY: Ensuring next-gen financial self-sufficiency

One couple expressed frustration when trying to involve their teenagers in the family’s finances. Our next-gen team reached out to the children about developing the necessary financial management skills. Topics ranged from creating a budget to responsible use of person-to-person payment apps such as Venmo. We also introduced WealthView, our interactive financial management platform, and initiated a conversation about impact investing. As a result, the children became more active participants.
in family meetings and maintained contact with their peer advisors as their interests and responsibilities expanded.

**CREATING A UNIFIED VISION FOR THE FAMILY’S LEGACY**

The most successful intergenerational wealth transfers occur when the family has a unified vision for the legacy they want to preserve. Yet, identifying a common purpose can be a challenging process. Should assets be distributed to heirs, used to fund philanthropy or some combination of the two?

The answers to these questions are shaped by the objectives of the founders and individual family members. In the ideal case, family values, attitudes and objectives align. In reality, they usually do not.

**CASE STUDY:**

Creating a shared legacy

One client was interested in starting a family foundation with all five multi-generational family members serving as board members. Their Glenmede team led a series of family meetings to define the mission and grant-making strategies, ensuring everyone had a stake in the outcome. Each person was asked to research philanthropic ventures and select two to present to the group. The family then voted on one from each person. The organizational focus of the five “winners” became the basis for the foundation’s mission statement, and the organizations themselves were candidates for the foundation’s inaugural grants.

**BACK TO THE FUTURE**

Glenmede’s mission is to manage, protect and preserve client assets. Our wealth advisory, tax and estate planning, investment management and philanthropic specialists provide families with the forward-thinking advice and solutions necessary to pave the way for a smooth transfer of family wealth, laying the groundwork for future generations.

Many parents are uncomfortable discussing wealth and inheritance planning, but failure to do so can create other challenges.

Healthy family communication is critical. Glenmede frequently facilitates family meetings where differences can be aired and reconciled, and common ground and implementation strategies can be established.
Glenmede’s culture is united by a common goal: To deliver an exceptional client experience with integrity. Our people steward and build upon our collaborative culture, combining the ideals of our founders with forward-thinking insights. What follows are conversations with six professionals, each speaking about how they came to Glenmede, why they remain and how their work contributes to serving our clients’ needs.
What brought you to Glenmede?
Glenmede’s intense focus on nurturing continuous innovation. This, combined with a strong commitment to employee growth and development, was compelling.

How has your role evolved at Glenmede?
When I joined the team nearly seven years ago, I was brought on as the Director of Human Resources to focus on the employee experience. This year my role expanded to include leadership of Marketing and the Office of the Corporate Secretary. My new position, Director of Engagement, focuses on ensuring we connect with all stakeholder audiences in a meaningful way. We saw synergy across these groups because
they all involve deep, trusting relationships. Engagement is a continuous feedback loop: question, listen, communicate honestly and manage expectations.

Glenmede’s values are our North Star, guiding everything we do.

**How does engagement affect employees, clients and the firm?**
We think about engagement holistically. Meaningful employee engagement enables us to attract and retain talent, which in turn affects our ability to attract and retain clients. That drives success through growth and profitability, and makes it possible for us to invest back in the firm strategically. An integrated approach allows the firm to take advantage of natural synergies and differentially engage our constituents.

**How do Glenmede’s values shape your approach to your role?**
Glenmede’s values are our North Star, guiding everything we do. The concept of stewardship, as an example, means we take responsibility for the success and growth of our relationships with clients and partners as well as how we develop our corporate culture and relationships with our community. Thoughtful stewardship speaks to diversity and how we incorporate different perspectives and experiences to deliver value to all key stakeholders.

**How will Glenmede evolve?**
Glenmede will always focus on extraordinary client service. That said, the needs of our clients, employees and communities will change over time. As part of our engagement strategy, we will understand evolving needs and then plan and execute necessary adjustments. This translates into expanding our service capabilities and developing next-generation talent programs and processes to support a consistent and strong experience for everyone interacting with Glenmede.

**ROBERT SIEWERT, CFA**
*Relationship and Portfolio Manager*

**What is your role at Glenmede?**
I help families achieve their wealth objectives by managing their assets, providing investment advice and coordinating the complex services needed to grow and preserve their wealth.

**Has anything surprised you about Glenmede?**
In 15 years with Glenmede, I have never had a new business goal. This permits me to concentrate on serving my clients without distraction. Interestingly, this positively impacts our growth, as a large portion of new business is the result of referrals from existing clients. Their referrals to family and friends are the most rewarding feedback.

**How has Glenmede evolved while staying true to its values?**
Glenmede understands tomorrow’s clients will be very different from today’s, and our service model continuously evolves. The mission, however, remains constant: to serve with distinction by providing objective advice.

**What keeps you with Glenmede?**
In my role, I contribute functionally and strategically. The firm supports my professional growth and invests in
advancement at every stage of the employee lifecycle. Senior management meets with every employee, believing the next best idea can come from anyone. The drive to constantly improve to better serve our clients is an embedded objective. That keeps me at Glenmede, and I wish I had discovered Glenmede earlier in my career.

How did you come to Glenmede?
I had been referred by a friend working on the Private Investments team who shared great things about the company. I joined the firm within two weeks of earning my MBA.

What is your role at Glenmede?
I am responsible for providing strategic oversight of Glenmede’s sustainable and impact investing products, tools and thought leadership.

What were you looking for when you chose Glenmede?
First, I wanted traditional investment experience. Second, I wanted a genuine commitment to impact investing. Finally, career development was very important. Through the interview process, it was clear that Glenmede’s commitment to impact investing as a firmwide initiative would support and empower my growth.

How does Glenmede support your career development?
My manager has continued to prioritize strengthening my leadership presence by ensuring exposure to executive-level leadership and developing my presentation skills through public speaking opportunities at conferences. Most of my post-graduate peers are not getting this level of exposure at this point in their careers.

How do Glenmede’s values shape your work?
People give 110 percent to provide innovative advice and services to our clients. That shared attitude is contagious and inspires me to meet their high standards and performance expectations.

Are there unique opportunities to work with clients?
I find the human side of impact investing to be very compelling. Whether partnering with endowments, foundations or individual clients, I most appreciate developing an understanding of the values that shape their impact decisions. This in-depth dialogue creates a strong relationship that continues to deepen over time.

What brought you to Glenmede?
After 13 years at a very large asset management firm, I wanted to put my risk management and fixed income skills to work in a smaller environment where I could take on more of a leadership role. Glenmede has a strong investment platform and is committed to growth, both of which appealed to me. The organization’s fiduciary heritage and collaborative culture also aligned with my values.
What is your role at Glenmede?
I oversee the expansion of our fixed income capabilities, particularly building out the global opportunity set and risk management framework. I feel very fortunate to have joined a team of professionals who have a tremendous depth of experience. I look forward to working everyday with so many talented people, as well as fostering future talent in the fixed income group and across Glenmede.

Has anything surprised you since you joined the firm?
Glenmede's commitment to innovation continues to impress me. The interconnectivity of the business units creates an environment that stimulates creativity and fosters idea generation. The depth and breadth of the firm’s resources and commitment to grow in order to serve our clients' evolving needs are also impressive.

How has Glenmede met your expectations?
I appreciate that the client experience is always at the forefront of what everyone does at Glenmede. That client focus drives us to invest in new technology, develop our human capital and take the lead in areas like impact investing. In addition, Glenmede values intellectual rigor and collaboration across different teams, both of which are important for innovation and growth. Glenmede's teams are also engaged in a relentless quest to anticipate the needs of institutional and private wealth clients and deliver service with integrity.

What keeps you with Glenmede?
At Glenmede, all opinions matter, and there is a consensus that by gathering ideas from across the firm, we will arrive at our best outcomes. This inclusive culture flows through to career development as well. As a mid-career professional, knowing that Glenmede supports lateral and vertical opportunities is important as I think about the long term.

Stephanie Spaeder
Marketing Content Manager

What is your role at Glenmede?
I oversee content development for our Private Wealth and Endowment & Foundation businesses as well as distribution across channels, including our website, client portal, social media and events. I also manage Impactivate®, a website dedicated to providing the latest in impact investing news and trends.

How has the print-to-digital shift affected the client experience?
Improving the client experience drove our evolution from print to digital communications, as more clients were consuming information that way. Today, we can be responsive to topics affecting clients in real time. We develop and deliver content every day and aggregate it in a monthly client email. Clients now have multiple options to access information 24/7 in whatever way is convenient for them.

What stands out about Glenmede?
From interns to the CEO, everyone's opinion is respected. Glenmede also values work-life balance and diversity. I am impressed by how many women are on our Management Committee. That is unique
in our industry and a direct result of our values and culture.

**How has Glenmede evolved while remaining true to its values?**

Our mission is to serve our clients by providing innovative, forward-thinking advice and solutions. We embrace new strategies because they support our client-centric mission, and do not move forward on any project if it does not advance that purpose.

**What keeps you with Glenmede?**

I am constantly challenged to recommend innovations that will improve the client experience, and with this, assume greater leadership and responsibility. Glenmede’s commitment to my career development and the collegial environment keep me here.

**GREGORY HEALY, CPA/PFS, CFP®**

*Wealth Advisor and Relationship Manager*

**What is your role at Glenmede?**

I advise individuals and families with a range of circumstances, from complex estate planning issues to liquidity events, including philanthropic planning and trust administration. I work alongside our team of specialists to evaluate all aspects of a client’s financial life and align them with their long-term objectives.

**How do Glenmede’s values inform your work?**

Glenmede’s values foster a collaborative, conflict-free environment that enables me to serve my clients with integrity and care. Free from the pressures of sales incentives and quarterly earnings targets, I leverage our independence and fiduciary heritage to provide thoughtful advice that is in each client’s best interest.

**When Glenmede says, “We want you to have the best career possible,” the firm makes it happen through mentoring and ongoing educational opportunities.**

**How does Glenmede promote growth within the organization?**

Career development plans go well beyond the traditional upward trajectory. Reviews are an open dialogue that identify core competencies and develop well-rounded leaders. When Glenmede says, "We want you to have the best career possible," the firm makes it happen through mentoring and ongoing educational opportunities.

**What keeps you with Glenmede?**

The absolute focus on building for the future to meet client and employee needs. We are proactive about multi-generational wealth planning and engaging successor generations, and developing younger professionals by integrating them early into client service teams. Glenmede’s commitment to community engagement is also very important to me, as I find my non-profit board service both personally and professionally rewarding.
## CONSOLIDATED BALANCE SHEETS

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$31,057</td>
<td>$22,779</td>
</tr>
<tr>
<td>Investments</td>
<td>131,000</td>
<td>132,978</td>
</tr>
<tr>
<td>Fees receivable</td>
<td>20,586</td>
<td>21,416</td>
</tr>
<tr>
<td>Premises and equipment, net</td>
<td>18,429</td>
<td>16,439</td>
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<tr>
<td>Other assets</td>
<td>15,248</td>
<td>14,478</td>
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<tr>
<td>Total assets</td>
<td>$216,320</td>
<td>$208,090</td>
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</table>

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable, accrued expenses and other liabilities</td>
<td>$45,692</td>
<td>$46,449</td>
</tr>
<tr>
<td>Note payable</td>
<td>7,667</td>
<td>9,667</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>53,359</td>
<td>56,116</td>
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<table>
<thead>
<tr>
<th>STOCKHOLDERS’ EQUITY</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Common stock and surplus</td>
<td>$50,624</td>
<td>$43,714</td>
</tr>
<tr>
<td>Accumulated other comprehensive loss</td>
<td>(12,775)</td>
<td>(7,355)</td>
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<tr>
<td>Retained earnings</td>
<td>182,842</td>
<td>158,145</td>
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<tr>
<td>Treasury stock, at cost</td>
<td>(57,730)</td>
<td>(42,530)</td>
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<tr>
<td>Total stockholders’ equity</td>
<td>162,961</td>
<td>151,974</td>
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<tr>
<td>Total liabilities and stockholders’ equity</td>
<td>$216,320</td>
<td>$208,090</td>
</tr>
</tbody>
</table>

## CONSOLIDATED STATEMENTS OF INCOME

<table>
<thead>
<tr>
<th>OPERATING REVENUE</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment advisory, trust and other client service fees</td>
<td>$122,032</td>
<td>$112,925</td>
</tr>
<tr>
<td>Mutual fund fees</td>
<td>94,694</td>
<td>88,527</td>
</tr>
<tr>
<td>Pew Trusts fees</td>
<td>18,917</td>
<td>18,270</td>
</tr>
<tr>
<td>Interest, dividends and other income</td>
<td>3,256</td>
<td>2,204</td>
</tr>
<tr>
<td>Net securities gains</td>
<td>1,255</td>
<td>1,946</td>
</tr>
<tr>
<td>Total operating revenue</td>
<td>240,154</td>
<td>223,872</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OPERATING EXPENSES</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation and benefits</td>
<td>$104,912</td>
<td>$100,370</td>
</tr>
<tr>
<td>General, administrative, depreciation and amortization</td>
<td>46,638</td>
<td>41,753</td>
</tr>
<tr>
<td>Shareholder servicing and subadvisory</td>
<td>26,077</td>
<td>25,921</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>177,627</td>
<td>168,044</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>62,527</td>
<td>55,828</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>11,387</td>
<td>24,764</td>
</tr>
<tr>
<td>Net income</td>
<td>$51,140</td>
<td>$31,064</td>
</tr>
</tbody>
</table>

These financial statements are a condensed version of statements that have been audited by Glenmede’s independent auditors.
### CONSOLIDATED STATEMENTS OF CASH FLOWS

#### Year ended December 31

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>$51,140</td>
<td>$31,064</td>
</tr>
<tr>
<td>Non-cash items and changes in assets and liabilities</td>
<td>10,928</td>
<td>8,421</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>62,068</td>
<td>39,485</td>
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<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOWS FROM INVESTING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sales and maturities of investments</td>
<td>$97,559</td>
<td>$58,853</td>
</tr>
<tr>
<td>Return of capital from investments</td>
<td>433</td>
<td>551</td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>(102,701)</td>
<td>(85,210)</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>(6,490)</td>
<td>(5,261)</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>(11,199)</td>
<td>(31,067)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOWS FROM FINANCING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-term borrowings</td>
<td>$ -</td>
<td>$10,000</td>
</tr>
<tr>
<td>Principal payments on note payable</td>
<td>(2,000)</td>
<td>(333)</td>
</tr>
<tr>
<td>Net repurchase of common stock</td>
<td>(29,190)</td>
<td>(14,379)</td>
</tr>
<tr>
<td>Tax benefit of share-based vesting</td>
<td>-</td>
<td>253</td>
</tr>
<tr>
<td>Cash dividends paid</td>
<td>(11,401)</td>
<td>(10,172)</td>
</tr>
<tr>
<td>Net cash used in financing activities</td>
<td>(42,591)</td>
<td>(14,631)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash paid during the year for income taxes</td>
<td>$11,761</td>
<td>$20,560</td>
</tr>
<tr>
<td>Cash paid during the year for interest</td>
<td>$345</td>
<td>$54</td>
</tr>
</tbody>
</table>

*These financial statements are a condensed version of statements that have been audited by Glenmede's independent auditors.*
The Glenmede Corporation (Glenmede or the Company) had record financial results in 2018. Earnings, both before and after income taxes, surpassed prior period highs and totaled $62.5 million and $51.1 million, respectively. Compared to 2017, net income increased by 64.6%, reflecting higher earnings from operations and the impact of recent tax reform legislation, which reduced the Company’s effective income tax rate in 2018.

Favorable market conditions over the first part of the year, as well as new client assets, combined to increase revenues to a new high in 2018. However, the S&P 500 contracted almost 20% in the fourth quarter, nearly ending a decade-long expansion. In fact, 2018 marks the first year since 1972 where no major asset class returned more than 5%. These conditions led to a decline in Glenmede’s assets under management, which stood at $37.2 billion as of December 31, 2018 compared to $40.1 billion a year earlier.

At the close of 2018, Glenmede’s balance sheet continued to reflect the Company’s financial strength and stability, despite negative market conditions in the fourth quarter. Shareholders’ equity of $163.0 million was 7.2% higher than year end 2017, while in 2018 the Company distributed a record $12.0 million in dividends, or $20.00 per share, to its shareholders. Diluted earnings per share totaled $85.95 and $51.23 in 2018 and 2017, respectively.

THE BUSINESS
The Company delivers its services through The Glenmede Trust Company, N.A. (GTC) and Glenmede Investment Management LP (GIM). The Company’s revenues are predominantly derived from fees applied to the market value of clients’ assets under management.

GTC client assets under management totaled $28.7 billion as of December 31, 2018. GTC serves private wealth clients with a bespoke range of investment, wealth planning, trust, philanthropic advisory and administration services. The Endowment & Foundation
group delivers an Outsourced Chief Investment Officer (OCIO) offering of specialized investment and advisory services to institutional clients. GTC’s Endowment & Foundation group manages $8.8 billion in client assets, including $5.5 billion represented by The Pew Trusts, for which GTC has served as sole Trustee since the Company’s founding in 1956.

GIM is a registered investment advisor managing equity, fixed income and liquid alternative strategies. GIM is the advisor to Glenmede’s proprietary mutual funds, The Glenmede Fund, Inc. and The Glenmede Portfolios (collectively, the Glenmede Funds), and its research and trading capabilities support the firm-wide investment process. GIM manages $8.5 billion for institutional investors, institutional consultants, financial advisors and RIAs. GIM also manages an additional $6.1 billion for GTC clients, which resulted in total GIM assets under management of $14.6 billion at the close of 2018.

REVENUE
Total revenue in 2018 of $240.2 million represented an increase of 7.3% over the 2017 result. Glenmede’s revenue sources include client fees, as well as earnings from the Company’s investment portfolio. Fee revenue in 2018 reached $235.6 million, increasing 7.2% from the prior year as month end assets under management were 7.9% higher on average compared to 2017. This increase was driven by earnings from net new client assets and market appreciation.

Fee revenue from GTC clients reached $163.4 million in 2018 compared to $152.9 million in 2017, an increase of 6.9%. Both GTC’s Private Wealth and Endowment & Foundation client segments experienced growth from net new client assets, which in aggregate totaled $1.1 billion. In addition to its positive new business results for the year, GTC’s client retention rate stood at over 97%. GTC fees included revenue from The Pew Trusts of $19.4 million inclusive of fees earned through Glenmede mutual funds, an increase of $0.4 million from 2017.

GTC’s investment strategy provides for the allocation of client assets to both internal and external managers. At the end of 2018, $5.0 billion of assets under management held by GTC clients represented mutual funds and separate accounts managed by external third parties. In addition, GTC advises hedge and private asset funds-of-funds for its clients with an aggregate market value of $384.2 million as of December 31, 2018. Fees from these proprietary funds totaled $4.0 million in 2018, which was 27.8% higher than in 2017 due to increased client commitments to these vehicles.

GIM client revenue increased 8.1% in 2018 and totaled $72.2 million. Net of third party costs associated with platform distribution and recordkeeping, GIM client revenues rose 12.6% over 2017. GIM client assets
of $8.5 billion are primarily comprised of investments in the Company’s proprietary quantitative large cap core equity, quantitative large cap growth equity, small cap equity and secured options strategies. GIM client assets under management declined by $2.0 billion compared to the end of 2017, with $1.2 billion of the decline resulting from the securities market volatility in the fourth quarter. Three of GIM’s four principal strategies saw net client inflows in 2018. The quantitative large cap growth strategy had net outflows for the period as investors rebalanced equity portfolios in 2018. At the end of 2018, the market value of assets under management in the Glenmede Funds totaled $10.7 billion. Glenmede Fund fees increased 7.0% in 2018 to $94.7 million, including GIM’s advisory fee and GTC’s fee for administrative services.

INCOME FROM INVESTMENTS

Glenmede’s diversified investment portfolio is managed for long-term capital appreciation and to support diversification of future revenue streams. Income from interest, dividends and securities gains totaled $4.5 million in 2018.

EXPENSES

Total operating expenses rose $9.6 million, or 5.7%, to $177.6 million in 2018, reflecting the Company’s ongoing investments in talent and infrastructure.

Compensation and benefits costs rose by 4.5% or $4.5 million in 2018. At the end of the year, Glenmede’s headcount stood at 396 employees, a 5.3% increase over the end of 2017.

General, administrative and depreciation expenses increased by $4.9 million in 2018 to $46.6 million, driven by strategic investments in technology, office facilities and marketing. In 2018, the Company continued its multi-year initiative to replace its trading and portfolio management platforms. A number of office initiatives took place during the year, including relocation of Glenmede’s New York City office, an expansion of the Philadelphia headquarters and the growth of our team in Washington, DC.

Income tax expenses for 2018 reflect an effective rate of 18% compared to 44% in the prior year. In 2018, the Company’s federal statutory income tax rate declined from 35% in 2017 to 21% due to tax reform legislation that became effective in 2018. The effective rate also declined in 2018 due to the adoption of new accounting guidance.

### FEE REVENUE

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client service fees</td>
<td>$133.1</td>
<td>$124.5</td>
</tr>
<tr>
<td>Mutual fund fees</td>
<td>$30.3</td>
<td>$28.4</td>
</tr>
<tr>
<td>Total fee revenue</td>
<td>$163.4</td>
<td>$152.9</td>
</tr>
<tr>
<td>Assets under management (billions)</td>
<td>$28.7</td>
<td>$29.6</td>
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<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client service fees</td>
<td>$ 7.8</td>
<td>$ 6.7</td>
</tr>
<tr>
<td>Mutual fund fees</td>
<td>64.4</td>
<td>60.1</td>
</tr>
<tr>
<td>Total fee revenue</td>
<td>$ 72.2</td>
<td>$ 66.8</td>
</tr>
<tr>
<td>Assets under management (billions)</td>
<td>$ 8.5</td>
<td>$ 10.5</td>
</tr>
</tbody>
</table>

In millions, except as noted.
related to the vesting of share-based awards.

LIQUIDITY AND CAPITAL RESOURCES

Glenmede’s balance sheet remained highly liquid at the close of 2018, with cash and cash equivalents, investments and fees receivable totaling $182.6 million, or 84%, of total assets.

The Company’s portfolio of investment securities available-for-sale totaled $124.0 million as of December 31, 2018. This portfolio management is consistent with the investment process applied to client accounts and in support of strategy development and diversification of the GIM product offering. At the end of 2018, $8.3 million of investments supported GIM’s product incubation. Other investments included $6.7 million of partnership interests in GTC’s proprietary funds-of-funds.

Liabilities included $22.5 million of defined benefit retirement obligations at the end of 2018 compared to $23.0 million at the close of 2017. Glenmede manages the balance sheet risk associated with its defined benefit pension plans by employing a liability-driven investing strategy for qualified pension assets. This approach aims to reduce the volatility of the funded status, which stood at 87% at the end of 2018. This is a long-term obligation that will be satisfied by future cash contributions and investment returns. The plans were closed to new entrants in 2012.

In 2017, the Company initiated a tender offer to repurchase stock from shareholders. These transactions were funded with a note payable through 2022, which carried a balance of $7.7 million at the end of 2018.

In 2018, share repurchases totaled $27.0 million pursuant to share-based compensation plans that align employee and shareholder interests to promote achievement of the Company’s objectives. Share-based awards carry vesting terms tied to the provision of service (time-based vesting) and, in certain cases, to the achievement of long-term performance objectives as defined by the Board of Directors. Non-vested share-based awards represented 38,060 shares of Glenmede Class B stock as of December 31, 2018, with vesting through 2023.

The Company paid dividends for the 57th consecutive year in 2018. For the 7th year in a row, the Company increased its quarterly dividend rate, which stood at an annual rate of $12.00 per share at year-end. The 2018 dividend totaled $20.00 per share and included a special payment of $10.00 per share for a total distribution of $12.0 million. This distribution represents a record high for the Company and totaled 23.5% of 2018 net income.

As of December 31, 2018, stockholders’ equity totaled $163.0 million, an increase of 7.2% over 2017. A strong balance sheet and growing stockholders’ equity are essential to Glenmede’s organizational strength and stability. Equally important is providing a return to stockholders. For the ten years ending in 2018, dividends paid by Glenmede totaled $76.7 million, representing 37% of net income earned during the period. Including share repurchases, total capital returned to shareholders from 2009 to 2018 was more than $140 million.

At the end of the year, there were 657,740 common shares issued, and 99,128 shares
held in treasury for future issuance through compensation and benefit plans. Including the effect of non-vested share awards, diluted earnings per share for 2018 and 2017 were $85.95 and $51.23, and basic earnings per share were $88.93 and $53.60, respectively. The increase in earnings per share is primarily attributed to higher net income.

**RISK MANAGEMENT AND REGULATION**

The Company's risk management effort is overseen by the Board of Directors and its Audit, Compensation and Relationship Oversight Committees.

Glenmede coordinates its efforts in risk management, regulatory compliance and internal audit to ensure appropriate controls are in place across its operations. A comprehensive business process supports the safety, soundness and integrity of the Company’s operations, and the security and confidentiality of corporate and client assets and information. Information security is a central focus of our technology management and operating controls. The Company’s risk assessment approach includes a regular review of current regulatory requirements and operating procedures, relevant private litigation and industry best practices.

A key component of the Company’s risk management effort is the fortification of defenses against cyber threats. Glenmede employs a multilayered approach to its information security, involving infrastructure protection, focused vendor management and continuous monitoring of its environment. A risk-aware culture is cultivated through recurring training and development of employees on operational risk and security. The Company utilizes employee compensation plans designed to support the stability of the business and to avoid excessive risk taking.

The Company's controls over custody and other processes are reviewed annually by an independent third party. A formal audit report, prepared in accordance with the requirements and guidance established under AT-C Section 320 of the AICPA's Statement on Standards for Attestation Engagements (SSAE) No.18, documents the controls and testing performed to assess the effectiveness of internal controls. Commonly referred to as a SOC 1 (System and Organization Controls Report), this report is available upon request.

Glenmede maintains emergency preparedness and business continuity plans designed to minimize business interruptions caused by a loss of functionality within its offices. The technology supporting the business continuity plan in cases of more severe impacts is routinely tested. These tests are performed to assess Glenmede's ability to conduct operations in the event that its principal business locations become unavailable.

GTC is primarily regulated by the Office of the Comptroller of the Currency (OCC), which conducts routine examinations of the Company’s business. GTC is subject to minimum capital requirements established by the OCC and continued to exceed those levels throughout 2018. GIM is mainly regulated by the Securities and Exchange Commission (SEC), and both GIM and GTC are subject to other state and federal authorities in particular circumstances.
### SELECTED FINANCIAL DATA

In thousands, except per share data

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>RESULTS OF OPERATIONS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment advisory, trust and other client service fees</td>
<td>$122,032</td>
<td>$112,925</td>
<td>$101,864</td>
<td>$101,553</td>
<td>$100,421</td>
</tr>
<tr>
<td>Mutual fund fees</td>
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<td>88,527</td>
<td>69,986</td>
<td>50,593</td>
<td>28,018</td>
</tr>
<tr>
<td>Pew Trusts fees</td>
<td>18,917</td>
<td>18,270</td>
<td>17,204</td>
<td>17,552</td>
<td>17,604</td>
</tr>
<tr>
<td>Interest, dividends and other income</td>
<td>3,256</td>
<td>2,204</td>
<td>1,573</td>
<td>1,368</td>
<td>1,695</td>
</tr>
<tr>
<td>Net securities gains</td>
<td>1,255</td>
<td>1,946</td>
<td>215</td>
<td>2,223</td>
<td>3,262</td>
</tr>
<tr>
<td>Total operating revenue</td>
<td>240,154</td>
<td>223,872</td>
<td>190,842</td>
<td>173,289</td>
<td>151,000</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>177,627</td>
<td>168,044</td>
<td>148,874</td>
<td>134,187</td>
<td>115,347</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>62,527</td>
<td>55,828</td>
<td>41,968</td>
<td>39,102</td>
<td>35,653</td>
</tr>
<tr>
<td>Provision for income taxes</td>
<td>11,387</td>
<td>24,764</td>
<td>15,662</td>
<td>13,888</td>
<td>13,345</td>
</tr>
<tr>
<td>Net income</td>
<td>$51,140</td>
<td>$31,064</td>
<td>$26,306</td>
<td>$25,214</td>
<td>$22,308</td>
</tr>
</tbody>
</table>

|                                |       |       |       |       |       |
| **PER SHARE DATA**             |       |       |       |       |       |
| Earnings per share             | $88.93 | $53.60 | $44.61 | $41.96 | $37.49 |
| Earnings per share - assuming dilution | $85.95 | $51.23 | $43.59 | $40.99 | $36.66 |
| Cash dividends paid - regular  | $10.00 | $7.75 | $6.75 | $6.00 | $5.70 |
| Cash dividends paid - special  | $10.00 | $10.00 | $7.00 | $9.00 | $6.00 |

|                                |       |       |       |       |       |
| **BALANCE SHEET**              |       |       |       |       |       |
| Assets                         | $216,320 | $208,090 | $180,825 | $164,033 | $152,766 |
| Liabilities                    | $53,359 | $56,116 | $45,471 | $45,883 | $46,716 |
| Stockholders’ equity           | $162,961 | $151,974 | $135,354 | $118,150 | $106,050 |

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

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2018 Annual Review Disclosure:

Glenmede’s Annual Review is intended to be an unconstrained review of matters of possible interest to the Company’s clients and friends and is not intended as personalized investment advice. Advice is provided in light of a client’s applicable circumstances and may differ substantially from this presentation. Glenmede’s affiliate, Glenmede Investment Management LP, may conduct certain research and offer products discussed herein. Opinions or projections herein are based on information available at the time of publication and may change thereafter. Information gathered from other sources is assumed to be reliable, but accuracy is not guaranteed. Outcomes (including performance) may differ materially from expectations herein due to various risks and uncertainties. Any reference to risk management or risk control does not imply that risk can be eliminated. All investments have risk. Clients are encouraged to discuss the applicability of any matter discussed herein with their Glenmede representative. Nothing herein is intended as legal or federal tax advice.
The Glenmede Trust Company, N.A.

MANAGEMENT COMMITTEE

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

Ann Marie Bell
Director of Engagement

Laura LaRosa
Executive Director of Client Development

Susan P. Mucciarone
Executive Director of Private Wealth

Jordan B. Savitch
General Counsel and Director of Business Assurance

Raj M. Tewari
Chief Operating Officer

Lisa M. Whitcomb
Director of Wealth Strategy

Peter J. Zuleba, III
Director of Investment Management

1Also Officer of The Glenmede Corporation
2Also Officer of Glenmede Investment Management LP

Left to right: Gordon Fowler, Jr., Ann Marie Bell, Raj Tewari, Susan Mucciarone, Jordan Savitch, Laura LaRosa, Lisa Whitcomb, Peter Zuleba, III
ENDOWMENT & FOUNDATION
Nina L. Cohen
Managing Director
Adam M. Conish
Managing Director
Stephen C. Lehman
Chief Investment Officer, Managing Director

PORTFOLIO MANAGEMENT
Managing Directors: John W. Church, III, Christopher M. Zafiriou
Vice Presidents: Stephen R. Burns, Jonathan R. Lavy
Officer: Ashish M. Joseph

ADVISORY & ADMINISTRATION
Vice Presidents: Rosemary C. DiRita, Thomas J. Moore
Officer: Eli A. Mudrick

PRIVATE WEALTH
Susan P. Mucciarone
Managing Director
Jason D. Pride
Chief Investment Officer, Managing Director

PHILADELPHIA, PENNSYLVANIA
Adam T. Douberly
Managing Director
Scott W. McGough
Managing Director
Thomas P. Melcher
Managing Director

RELATIONSHIP MANAGEMENT

CLEVELAND, OHIO
Lawrence H. Hatch
Managing Director

RELATIONSHIP MANAGEMENT
Managing Directors: Paul D. Neidhardt, Uma M. Rajeshwar, Robert M. Siewert
Vice Presidents: Leigh H. Carter, Deborah P. Cugel, Lisa H. Michel, Kirk A. Schmitt
Officers: Christa Brenner, Jeannine L. Brzezinski, Kristi L. Holden, Christopher M. Jeannot, Wendy S. Lewis, Catherine A. Mekker, Ann T. Paratore, Boris Rogulja, Marcia H. Wasnick

BUSINESS DEVELOPMENT
Managing Director: Linda M. Olejko

NEW JERSEY
Adam G. Psichos
Managing Director

MORRISTOWN
RELATIONSHIP MANAGEMENT
Vice Presidents: John W. Hoag, Andrew Hunt, Kelly P. Kim
Officers: Kathleen M. Murphy, Kristin A. Tavares

BUSINESS DEVELOPMENT
Vice President: Carla E. Panzitta
Officer: Katherine G. Monahan
PRINCETON
Robert P. Kiep, III
Managing Director

RELATIONSHIP MANAGEMENT
Managing Directors: Mark S. Nurse, Dennis L. Walsingham, A. John Wright
Vice Presidents: Richard J. Giarrusso, Richard N. Gorda, Mary Jo Luongo
Officers: Leonie M. Bathersfield, Christopher A. Drake, Matthew S. Hallam

NEW YORK, NEW YORK
Lee P. Miller
Managing Director

RELATIONSHIP MANAGEMENT
Managing Directors: Eric D. Grasinger, Jonathan L. Stanley
Vice President: Gregory M. Healy

PALM BEACH, FLORIDA
Howard E.N. Wilson
Managing Director

BUSINESS DEVELOPMENT
Managing Director: Joseph J. McCool

WASHINGTON, DC
Michael K. Hickey
Managing Director

RELATIONSHIP MANAGEMENT
Vice Presidents: Michael J. Dellapa, Richard E. Miller
Officer: Tyler F. O’Connor

WILMINGTON, DELAWARE
Geoffrey M. Rogers
Managing Director

RELATIONSHIP MANAGEMENT
Managing Director: David T. Zakielarz
Vice Presidents: Monique E. Durand, Albert J. McCrery, IV, Susan C. Nickel, Rafael E. Tamargo
Officers: Stephen J. Crifasi Jr., Linda C. Mack

BUSINESS DEVELOPMENT
Managing Director
Vice President: Dominique C. DuMouchel
Vice Presidents: Niles Christian, Karl S. Murray, A. Hobart Porter, Huldah A. Robertson, Philip Wachs
Officers: Rosemarie Rauser, Christopher P. Tiano, Ilona Vovk

WEALTH STRATEGY
Lisa M. Whitcomb
Managing Director
Managing Directors: Melissa L. Burke, David K. Plotts
Vice Presidents: Susan R. Black, William J. Christy, Jeffrey P. Dowds, Kathleen M. Fiorentino, Jeannette M. Leighton, Richard B. Martin, Mary-Noelle Rasi, Yong Shuai, Brian J. Sullivan

INVESTMENT ADVISORY
Managing Directors: Benjamin Alimansky, Brian K. Green, Kenneth B. Trippe
Vice Presidents: Anthony J. Albuquerque, David M. Joyce, Greg M. Millhauser, Michael H. Sinoway, J. Douglas Wilson
Officers: Julia R. Enyart, Michael Lam, Michael T. Reynolds, Jennifer Y. Wong
BUSINESS ASSURANCE
Jordan B. Savitch
Managing Director
Managing Directors: John F. McCabe, Maria R. McGarry, Chief Compliance Officer, Patrick G. Renaud
Vice Presidents: Carile O. Bolton, C. William Hazelton
Officers: Danielle R. Albrecht, Michael J. Cervasio, Olumide A. Onafowora, Lindsay R. Sprachman

TECHNOLOGY
Louis J. Pellicori
Managing Director
Officers: D. Christopher Apostolu, Stephanie A. Brown, Jeffrey M. DePuyt, Stacey D. Jones, Gregory J. Lorditch, Eneida Maskuti, John W. McGlinn, Jennifer M. Pirrone, Robert Rhodes, Keith H. Woodworth

BUSINESS MANAGEMENT
FINANCE, ACCOUNTING AND ADMINISTRATION
Managing Director: David G. Deuel
Vice Presidents: George C. Bell, Lisa C. Coia, Treasurer, Sara M. Dorsett, Theodore A. Flocco, Controller
Officers: Dejana Bogdanovic, David A. Rouse

ENGAGEMENT
Ann Marie Bell
Managing Director

RELATIONSHIP MANAGEMENT SERVICES
Denise Murray Hayden
Managing Director
Vice Presidents: Michael F. Beck, Elizabeth L. Carolan, Maureen E. Fioravanti, Samuel P. Greenough, Jason H. Pearl, Jason P. Susini
Officers: Alise Robinson-Camacho, Murray H. Pinkus, Natalie M. Placido, Wanda S. Williams-White

HUMAN RESOURCES
Vice Presidents: Justin M. Dixon, Dawn R. Ellery, Ryan Paczkowski
Officers: Erin E. Ballard, Kristin M. DiGiacomo, Kurtrina M. Lundy, Marianne D. McCafferty

MARKETING
Susan W. Worteck
Managing Director
Managing Director: Melissa B. Stonberg
Vice President: Samantha L. Arnone
Officers: Keri J. Lubanski, Stephanie S. Spaeder, Erin M. Suhy

OPERATIONS
Managing Director: Phyllis R. Simirglia
Vice Presidents: Brendan B. Lloyd, Michael R. McKiernan
Officers: Yvonne E. Bates-Brinkley, Linda C. Bellicini, Joshua Cobb, Marie A. Knuttel, Eina G. Lawrysh, Brian C. Smeddy

OFFICE OF THE CORPORATE SECRETARY
Vice President: Mary V. Burke, Corporate Secretary

1 Also Officer of The Glenmede Corporation
2 Also Officer of Glenmede Investment Management LP
Glenmede Investment Management LP

Peter J. Zuleba, III
President and Director of
Investment Management

Mary Ann B. Wirts
Chief Administrative Officer

Maria R. McGarry
Chief Compliance Officer

PORTFOLIO MANAGEMENT
Alexander R. Atanasiu, Christopher
J. Colarik, Michael C. Crow, Robert
M. Daly, Vladimir deVassal, Sean
E. Heron, Jordan L. Irving, Kaitlyn
E. Jones, John R. Kichula, Mark D.
Livingston, Stephen J. Mahoney,
Robert J. Mancuso, Paul T. Sullivan,
John F. Thomas, Wade Wescott

EQUITY TRADING
Melissa F. Hinmon, Anthony K.
Iuliano, DonnaKay Tiller

CLIENT SERVICES
Rosemarie J. Kane, Kimberly C.
Osborne, Brian T. Penhale, Kent E.
Weaver, Jr.

INSTITUTIONAL
AND INTERMEDIARY
DISTRIBUTION
Meghan E. Chmura, Jeffrey W.
Coron, Michael R. Goold, Kevin A.
Heckman, Jason T. Laird, Samantha
M. Lowry, Jeffrey T. Pickersgill

RESEARCH
Jacob M. Adamcik, James J.
Balazsy, R. Bradford Hoopman,
David M. Marcucci, James F.
Messner, III, Keith B. Peter, Matthew
F. Shannon, Amy T. Wilson

COMPLIANCE
Rita A. Rauscher

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

BOARD OF DIRECTORS

Norman T. Callaway
Director since 1993
Chairman, The Glenmede Corporation
Managing Member
Broker Associate, Callaway Henderson Sotheby’s International Realty

Susan W. Catherwood
Director since 1988
Director, The Glenmede Fund, Inc.
Trustee, The Glenmede Portfolios

Rhonda R. Cohen
Director since 2008
Chairman, The Glenmede Trust Company, N.A.
Former Partner, Ballard Spahr LLP

Gordon B. Fowler, Jr.
Director since 2010
President, The Glenmede Corporation
President and Chief Executive Officer, The Glenmede Trust Company, N.A.

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

Ronald J. Naples
Director since 2006
Retired Chairman and Chief Executive Officer; Chairman Emeritus, Quaker Chemical Corporation

G. Thompson Pew, Jr.
Director since 1990
Chairman, The Glenmede Fund, Inc. and The Glenmede Portfolios
Investments/Consulting

James S. Pew
Director since 2005
Staff Attorney, Earthjustice

J. Howard Pew, II
Director since 1977
Former Chairman of the Board, The Pew Charitable Trusts

Joseph N. Pew
Director since 2014
Attorney, Scarff Law Firm, PLLC

R. Anderson Pew
Director since 1967
Retired Director, Sunoco, Inc.
Former CEO of Sunoco affiliates

Richard F. Pew
Director since 1993
Businessman/Rancher

John F. Porter, III
Director since 2000
Retired Chairman and Chief Executive Officer, Delaware Trust Company (now Wells Fargo)

Independent Auditors
Ernst & Young LLP
Philadelphia, Pennsylvania

4 Also Director of The Glenmede Corporation