

GLENMEDE
Investment Management

Glenmede Quantitative U.S. Large Cap Core Equity
Second Quarter 2019 Review



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Portfolio Manager

Second quarter overview

- Equity markets volatile in second quarter
 - Sharp decline in May, strong rebound in June
 - Investors reacted to trade tensions, flattening yield curve and mixed signals from FOMC
- Top performing sectors were Financials (+7.9) and Technology (+5.8%)
- Five companies (MSFT +14%, FB +16%, DIS +26%, AMZN +6% and AAPL +5%) accounted for 28% (120 bps) of Russell 1000 performance (+4.2%)
- Strategy underperformed Russell 1000 Index
 - Average stock in Russell 1000 underperformed with total return of +3.2%
 - Unfavorable impact from lower valuation bias
 - Russell 1000 Value (+3.8%) underperformed Russell 1000 Growth (+4.6%) by about -0.8%
 - Price/Earnings >25 had total return of +5.4%

Source: FactSet.

All data as of 6/30/2019, unless otherwise noted. This represents past performance which is not indicative of future results. Securities mentioned are for informational purposes only and do not represent a recommendation or an offer to buy, hold or sell any securities, or all of the securities held in client portfolios. As with all investments, loss is possible. See Additional Disclosures at the end of this document. For Institutional Investor Use Only.

Second quarter attribution analysis summary

Performance	2Q19	YTD
Quantitative U.S. Large Cap Core (gross)	2.6	13.6
Quantitative U.S. Large Cap Core (net)	2.4	13.2
Russell 1000	4.2	18.8
Excess (gross)	-1.6	-5.2

2Q19

Negative contributors

- Lower average market capitalization
 - Underexposure to MSFT (+14%), FB (+16%), AMZN (+6%) & AAPL (+5%)
 - Average benchmark stock return of +3.2%
- Stock ranking models
 - Valuation factors – Negative
 - Fundamental factors – Positive

Positive contributors

- Leading industry group indicators
 - Overweight financials/materials/staples
 - Underweight communications/discretionary/technology

Attribution summary	2Q19	YTD
Stock selection	-1.9	-5.0
Sector allocation	0.2	-0.3
Interaction/other	0.1	0.1
Total	-1.6	-5.2

1Q19

Negative contributors

- Underexposure to MAGNAs
- Leading industry group indicators
 - Overweight financials/materials
 - Underweight technology/consumer discretionary
- Stock ranking models
 - Valuation factors

Positive contributor

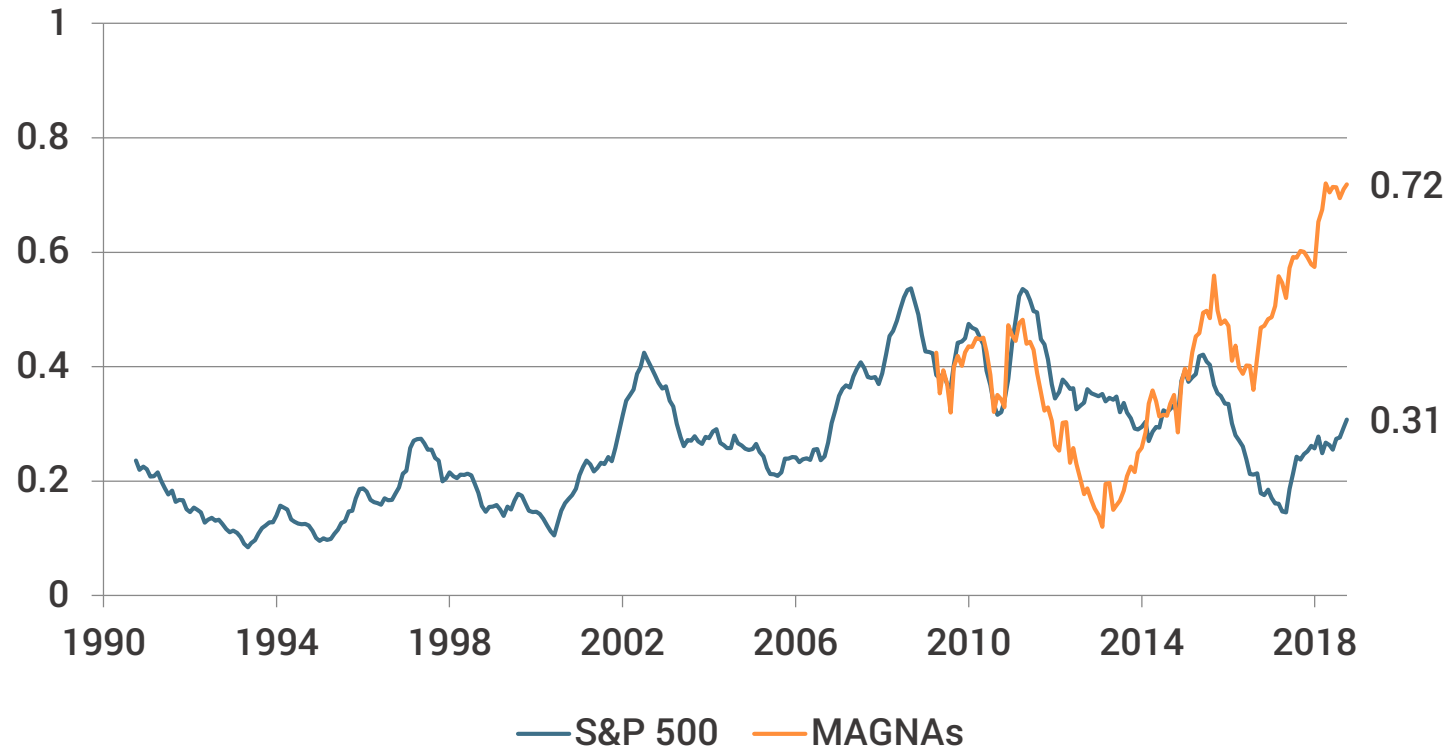
- Lower average market capitalization

Source: Glenmede Investment Management LP, FactSet
MAGNAs - Microsoft, Apple, Google, Netflix and Amazon

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High dispersion of individual stock returns

S&P 500 – Average Intrastock Correlation, 9-Month Moving Average of Daily Returns



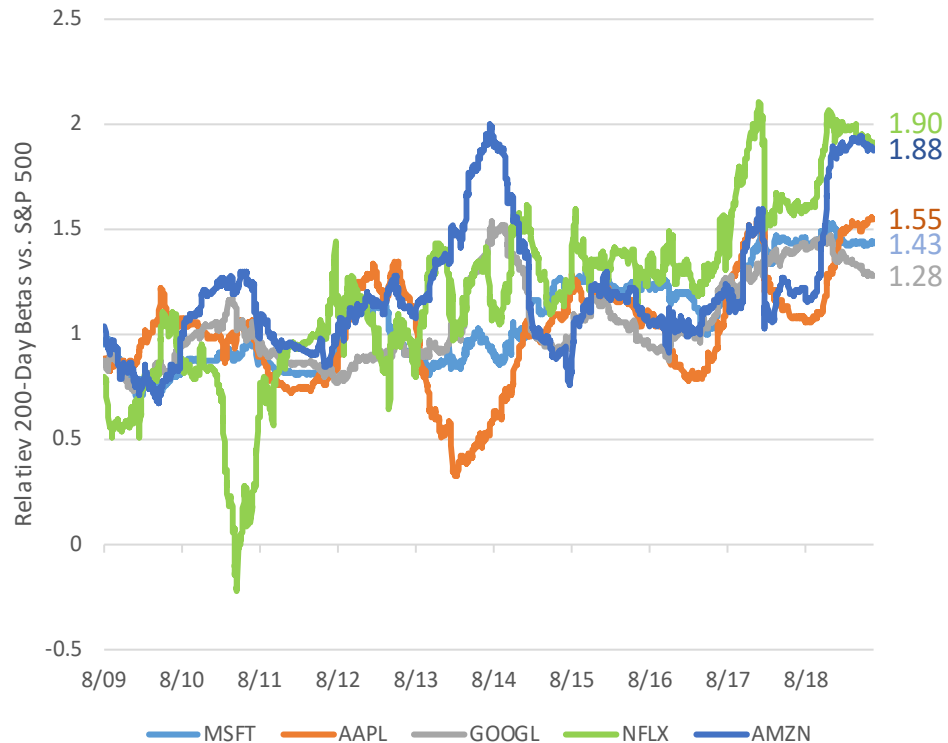
Sources: Glenmede Investment Management and FactSet
MAGNAs include MSFT, AAPL, GOOG, NFLX and AMZN.

The S&P 500 Index is a broad based unmanaged index of 500 stocks, which is widely recognized as a representative of the equity market in general. One cannot invest directly in an index. All data as of 6/30/2019, unless otherwise noted. The views expressed represent the opinions of the portfolio managers. There can be no assurance that the same factors would result in the same index contributions, weightings or decisions being made in the future. In addition, the securities mentioned may or may not be currently held in the portfolio and are not a recommendation to buy or sell. Past performance is not indicative of future performance. For Institutional Investor Use Only.

Risk of mega-cap technology/internet stocks has increased in recent years

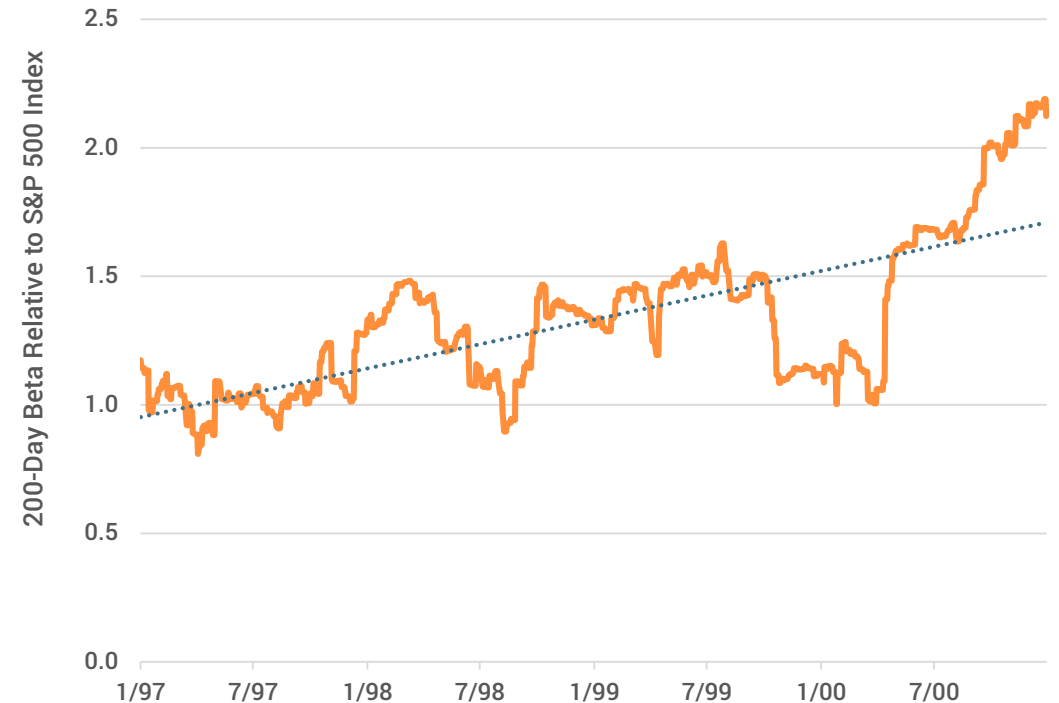
Large Technology/Internet Stocks

Historical 200-Day Betas Relative to S&P 500



S&P Technology Sector

200-Day Betas Relative to S&P 500
1997 Through 2000



Sources: FactSet and Glenmede Investment Management LP

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Mega Caps reflect less attractive valuations and higher volatility

Relative Valuation – Price/Earnings (NTM)
Largest 50 Companies vs Russell 1000



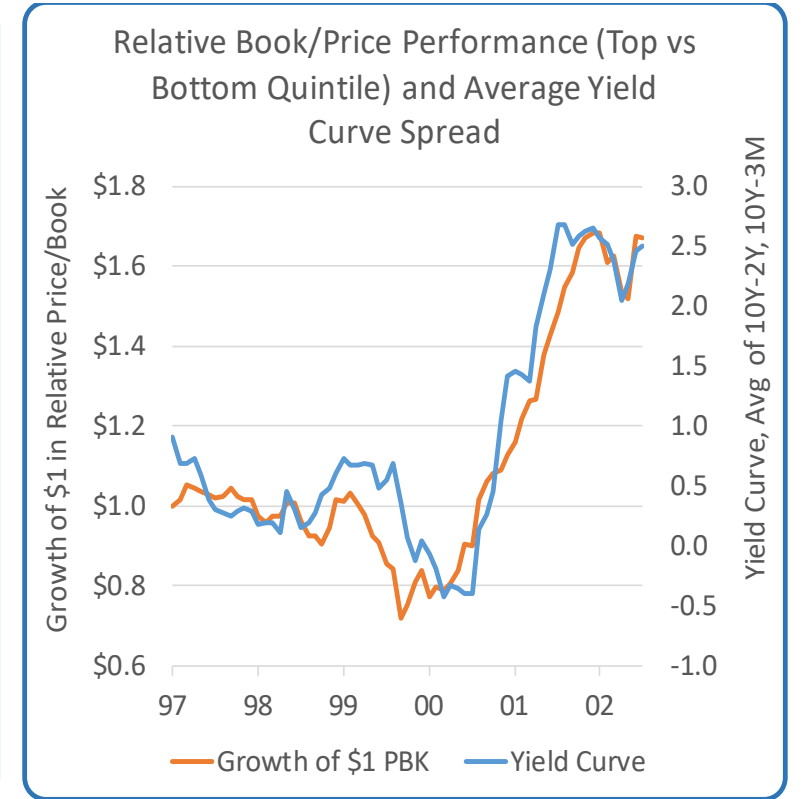
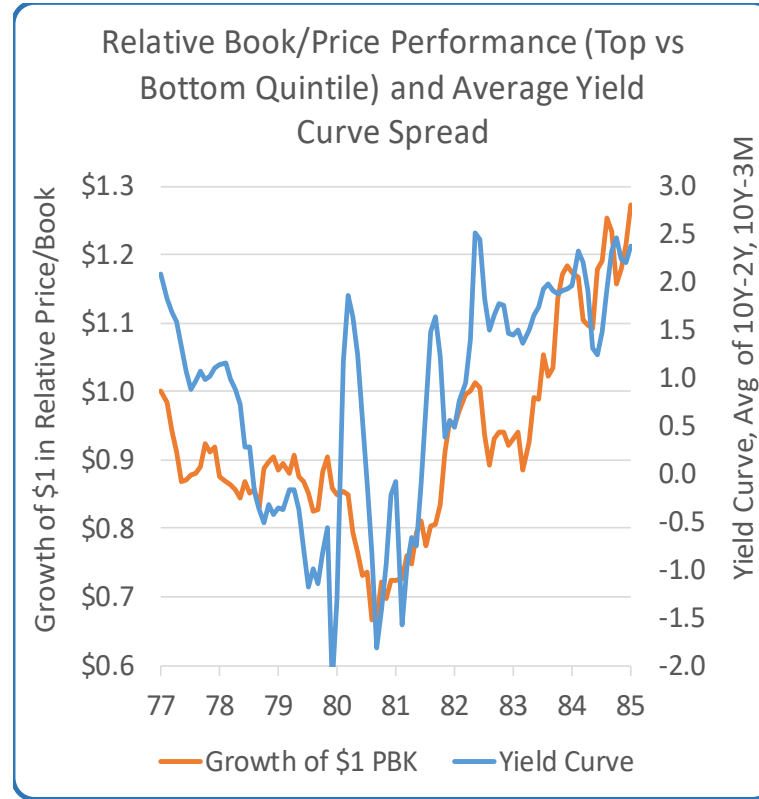
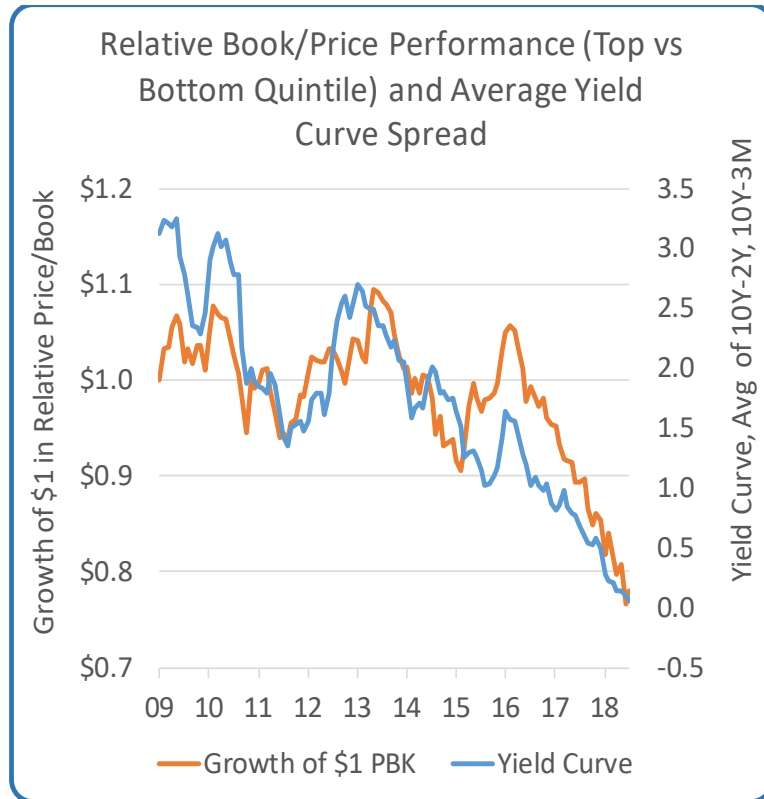
Characteristics by Market Capitalization

Market Cap Range	Price/Earnings (FY1)	EPS Growth FY2/FY1 Median	P/E/G (FY2/FY1)	Price/Book	Free Cash Flow Yield	Beta (200-Day)
Top 50	19.8	9.9	2.00	3.87	2.45	1.11
51-100	16.9	10.9	1.56	3.41	1.55	0.90
101-200	16.8	10.6	1.58	2.54	3.48	0.95
201-500	19.1	10.1	1.89	2.86	2.71	0.93
501-1000	18.9	10.0	1.88	2.33	2.98	1.00

Sources: Glenmede Investment Management and FactSet (Market cap weighted)

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Equity style performance related to yield curve



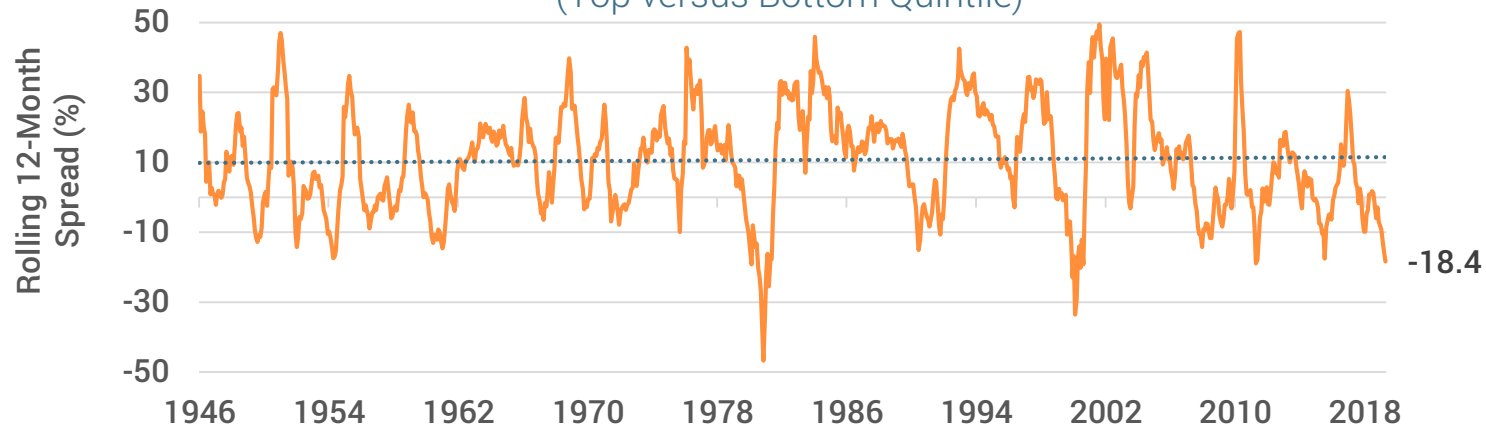
Sources: FactSet and Glenmede Investment Management LP (post 1995 – relative price/book performance is on a sector neutral basis)

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Equity style performance is cyclical

Book/Price: Performance Since 1946

(Top versus Bottom Quintile)*



Relative B/P Performance* Prior 12-M	Frequency of Occurrence	Subsequent 12- Month Performance					
		B/P - Top vs. Bottom Quintile		Book/Price - Top Quintile		Book/Price - Bottom Quintile	
		Average Spread	Positive Frequency	Average Return	Positive Frequency	Average Return	Positive Frequency
All	880	10.7%	73.6%	21.4%	78.4%	10.7%	70.2%
>15%	363	12.3%	77.1%	23.8%	83.7%	11.5%	72.2%
>0%	657	10.7%	74.9%	21.5%	80.2%	10.8%	72.6%
<0%	223	10.7%	70.0%	21.0%	73.1%	10.3%	63.2%
<-15	26	26.4%	96.2%	16.6%	84.6%	-9.8%	26.9%

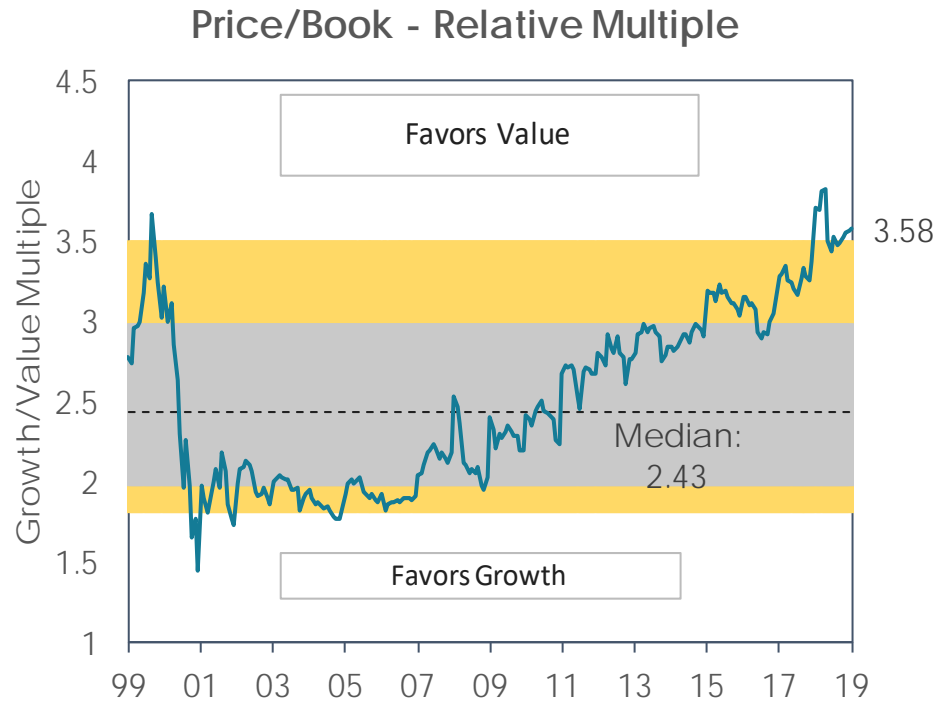
Sources: FactSet, Glenmede Investment Management LP and https://mba.tuck.dartmouth.edu/pages/faculty/ken.french/data_library.html

*Relative Book/Price Performance based on Top and Bottom Quintile Returns of stocks on NYSE, AMEX or NASDAQ (Book to market, equal weight)

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Russell 1000 Growth Index vs. Russell 1000 Value Index

Comparative Valuations as of June 30, 2019



Valuation Metric	Current Relative	Percentile Rank	
		10-Year	20-Year
Price/Book	3.58x	97%	98%
P/E (FWD)	1.35x	98%	81%
Dividend Yield	1.49x	96%	84%
Price/Sales	1.77x	98%	84%
FCF Yield	-0.14x	96%	55%

Gray – 25/75th percentiles
 Yellow – 5/95th percentiles

Sources: FactSet and Glenmede Investment Management LP (Free Cash Flow Yield includes dividends, excludes financial companies)

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Glenmede U.S. Equity Outlook

- Expect positive U.S. economic growth for second half 2019/2020
 - Favorable employment data
 - Positive surveys and sentiment
 - Relatively stable and low inflation
 - Dovish Fed
- Potential risks
 - Slowing global growth
 - Trade tariffs
- Our Industry group leading indicators
 - Overweightings in materials/financials/health care sectors
 - Underweightings of consumer discretionary/staples/communications sectors

Source: FactSet.

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Diversified portfolio with attractive attributes

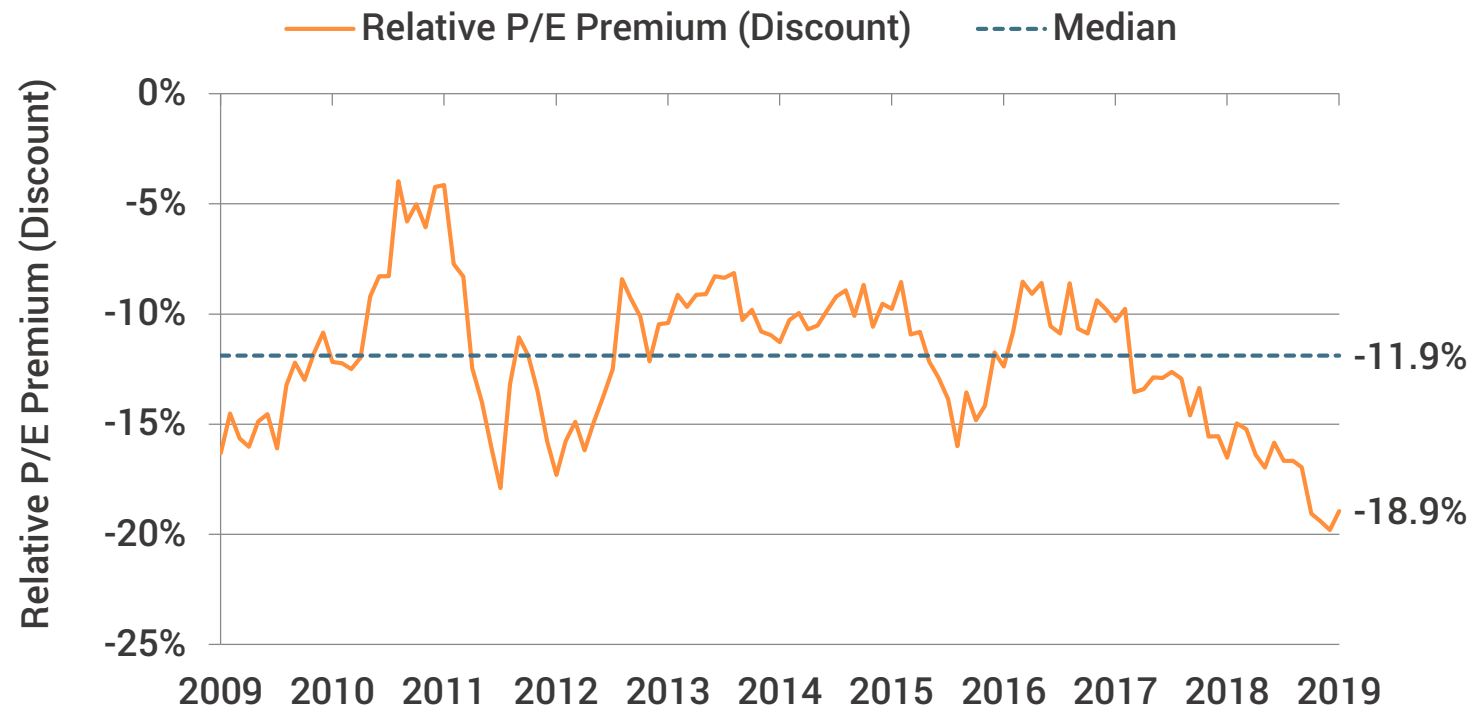
	Quantitative U.S. Large Cap Core Equity	Russell 1000
Price/Earnings (FY 1)	14.6	18.0
EPS Historical 3-yr Growth Rate	17.2	12.3
Free Cash Flow Yield (ex-financials)	4.2	2.5
Dividend Yield (%)	2.0	1.9
Dividend 3-Yr. Growth (%)	12.4	9.2
Return On Equity (%)	24.2	21.6

Source: FactSet

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Attractive Relative P/E

Quantitative U.S. Large Cap Core Equity vs. Russell 1000 Index Relative P/E (Fiscal Year 1)



Sources: FactSet and Glenmede Investment Management LP

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Composite performance presentation

Quantitative U.S. Large Cap Core Equity Composite

April 1, 2002 through December 31, 2018

Period	Returns Gross of Fees (%)	Returns Net of Fees (%)	Russell 1000 Index (%)	Composite 3YR Std Deviation	Russell 1000 3YR Std Deviation	Number of Accounts	Composite Market Value (\$millions)	Total Firm Market Value (\$millions)	Percentage of Firm Assets	Internal Std Deviation (%)
2018 YTD	(7.15)	(7.85)	(4.78)	11.3%	11.0%	191	3,073	14,589	21%	0.29
2017 Year	25.25	24.34	21.69	10.2%	10.0%	194	3,478	17,598	20%	1.12
2016 Year	11.77	10.94	12.06	10.8%	10.7%	153	2,612	14,642	18%	0.68
2015 Year	2.16	1.40	0.92	11.1%	10.5%	121	2,107	13,053	16%	0.49
2014 Year	16.88	16.02	13.24	10.7%	9.1%	77	1,044	9,753	10%	0.91
2013 Year	38.89	37.89	33.11	14.5%	12.3%	60	511	7,147	7%	0.69
2012 Year	18.47	17.60	16.42	17.2%	15.4%	31	204	5,929	3%	0.37
2011 Year	3.81	3.04	1.50	19.9%	19.0%	21	131	5,243	2%	0.45
2010 Year	18.93	18.05	16.10			31	163	4,992	3%	0.68
2009 Year	28.15	27.21	28.43			36	164	4,752	3%	1.06
2008 Year	(37.43)	(37.92)	(37.60)			33	134	4,845	3%	0.56

Annualized Performance - Period Ending December 31, 2018			
Period	Return (%) Gross of Fees	Return (%) Net of Fees	Russell 1000 Index (%)
1 Year	(7.15)	(7.85)	(4.78)
3 Year	9.13	8.33	9.09
5 Year	9.19	8.38	8.21
10 Year	14.98	14.14	13.28
Since Inception	9.10	8.29	7.13

Separate Account Fee Schedule:

First \$10 million	0.75% on market value
Next \$40 million	0.55% on market value
Next \$50 million	0.45% on market value
Thereafter	0.40% on market value

Past performance is not indicative of future performance.

Glenmede Investment Management, LP (the "Firm") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Glenmede Investment Management, LP has been independently verified for the period of 1/1/1993 to 6/30/2018. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

Glenmede Investment Management, LP, a registered Investment Advisor, is an affiliate of the Glenmede Trust Company, NA (GTC). Effective January 1, 2007, the Investment Product Management Group of GTC became Glenmede Investment Management, LP. All performance prior to January 1, 2007, shown here as the performance of GIM, was previously reported as the performance of the Investment Product Management Group of the Glenmede Trust Company. "Firm" assets are defined as all assets managed by the Glenmede Investment Management, LP. All returns are calculated in US Dollars. A complete list of firm composites and performance is available upon request.

The Quantitative U.S. Large Cap Core Equity Composite objective is to provide maximum long-term return with reasonable risk to principle, by investing in domestic stocks of the Russell 1000 and Standard & Poor's 500 universes and in large cap ADRs. Prior to 03/31/2018, this composite was known as the Large Cap Equity Composite.

Composite performance presentation

Quantitative U.S. Large Cap Core Equity Composite

The composite was created on 4/1/2005 and has an inception date of 03/31/2002. The composite is comprised of all the Glenmede Investment Management, LP Large Cap Equity non-restricted, discretionary, actively managed accounts over \$250,000. Accounts are included in the composite beginning with the first full month of performance through the last full month of performance. Accounts falling below the minimum or experiencing cash flows of 30% or greater of beginning market value are excluded from the composite for that month. This composite was formerly known as Large Cap 100. Performance results are calculated on a total return basis and include all realized and unrealized capital gains and losses as well as dividends and interest. Portfolios in the composite presented record transactions based on trade date. Portfolio performance calculations are time-weighted to account for periodic contributions and withdrawals. Composite returns consist of size-weighted portfolio returns using beginning of period values to weight portfolio returns. Monthly linking of interim performance results is used to calculate year-to-date and annual returns. All of the composite's valuations and returns are computed and stated in U.S. Dollars. Additional information regarding the Firm's policies for valuing portfolios, calculating performance and preparing compliant presentations, is available upon request. The gross of fee returns reflect composite performance results that include transaction costs. Net of fee returns reflect composite performance results that have been adjusted to reflect a deduction for investment management fees at the highest model rate of 0.75% reflected on the performance presentation.

Internal Standard Deviation measures the consistency of a composite's performance results with respect to the individual portfolio returns within that composite. The dispersion of the gross returns of each composite is calculated by the asset-weighted deviation method. Only portfolios that have been managed for the full period have been included in the presented dispersion calculations of each composite. For periods with five or fewer portfolios, disclosure of dispersion and the number of accounts is not presented. The three-year annualized ex-post standard deviation measures the variability of the gross composite and index returns over the preceding 36-month period.

Russell 1000 - The Russell 1000 Index is an unmanaged, market value weighted index, which measures performance of the largest 1,000 companies in the market. One cannot invest directly in an index.

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Past performance is not indicative of future results.

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All performance results reported are historical. PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS. Unless otherwise indicated, performance numbers included herein are reported gross of management fees. You will be charged management fees and management and other fees reduce returns. To see the performance of the relevant composite net of a standardized set of fees, see the GIPS Compliant Presentation on the prior page. Performance of individual accounts during the indicated period may be lower or higher than the performance in the composite.

Price to Earnings (P/E): ratio of stock price to earnings. 3-Year EPS Growth: historical earnings per share growth over the last 3 years. Return on Equity (ROE): net income divided by equity. Free Cash Flow Yield: an indicator that compares free cash flow and market cap. It is a representation of the income (free cash flow) created by an investment. A yield of 12 percent means that a company is generating 12 percent of its Market Capitalization in free cash flow yearly. Dividend Yield: a dividend expressed as a percentage of a current share price.

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