

# 2023 Annual Review



**GLENMEDE**

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# Letter From Our CEO

I am thrilled to address you for the first time as the President and Chief Executive Officer of Glenmede. It is an honor to lead this esteemed organization and build upon the strong foundation laid by my predecessors. As we embark on this journey together, I want to express my deep appreciation for your trust and confidence in Glenmede.

Personally, I am excited about the opportunities and challenges that lie ahead in this new role. I, along with my talented and passionate colleagues, am committed to leading with honesty, transparency and a deep sense of responsibility to serve the best interests of our stakeholders.

## Refining Our Vision, Mission and Values

As I stepped into my new role, I eagerly seized the opportunity to listen, learn, evaluate and refine Glenmede's vision, mission and values. My aim was to ensure that we are well-positioned to meet the evolving needs of our clients. To kick-start this process, I embarked on a series of visits and engagements with key stakeholders, affectionately termed my "listening tour." Through this thoughtful review process, Glenmede's Executive Committee and I sought to establish a set of consistent organizational principles to guide our interactions with each other and our clients. In the following paragraphs, I provide transparency on how we are preparing Glenmede to better serve your interests now and in the future.

At Glenmede, our **vision** is simple: to empower the financial futures of our clients. We begin with the fundamental belief that every client is unique and deserves to be treated as such. Guided by our values and fueled by the pursuit of excellence, our commitment to you remains unwavering. We stand as steadfast partners on your financial journey, offering personalized solutions intended to pave the way to enduring success.

Our **mission** focuses on delivering superior outcomes for clients, fostering a workplace culture that attracts and retains top talent and preserving independence for the perpetual benefit of stakeholders.

- **Client outcomes:** We are devoted to understanding your needs to achieve the desired results and experience.
- **Talent:** Our team is the cornerstone of our success. We cultivate an inclusive, curious and collaborative workplace environment to nurture exceptional talent.
- **Independence:** As a private and independent fiduciary, Glenmede is committed to the long-term interests of our stakeholders, promoting sustainable growth, trust, loyalty and value over time.

Our corporate **values** of accountability, agility and integrity are rooted in our dedication to excellence and our fundamental belief in the uniqueness of every client. They serve as the guiding principles underpinning our vision and mission.

- **Accountability:** We hold ourselves responsible for delivering outstanding results to our clients, colleagues and communities.
- **Agility:** We prioritize our clients' needs, anticipating future opportunities and challenges and working collaboratively to achieve their goals.
- **Integrity:** Trust, built on unwavering honesty and respect, is central to every relationship. Clients can have confidence that their needs are our top priority.

Our vision, mission and values form the comprehensive framework that brings cohesion, support and direction to our business. Our vision to empower financial futures is carefully harmonized with our mission to deliver superior client outcomes, become the preferred employer for our colleagues and preserve our independence for the lasting benefit of our stakeholders. Grounded in accountability, agility and integrity, our values serve as a moral guide, directing our actions and choices. Together, these elements constitute the bedrock upon which we cultivate enduring relationships, encourage innovation and pursue sustainable growth.

## Firm Highlights

I noted earlier our commitment to delivering unparalleled value and a compelling experience to all clients. Last year, we exemplified this through a strategic blend of innovation, expertise and unwavering dedication, a few examples of which I've highlighted below.

- Prepared more than 600 Goals-Based Wealth Reviews for clients, delivering the peace of mind that comes from understanding and confidently knowing the likelihood of meeting your financial goals.
- Actively managed 40 estates, a process that often carries a significant emotional burden, as it entails navigating complex legal and financial matters while simultaneously grappling with the profound sense of loss associated with the passing of a loved one.
- Engaged the Center for Family Philanthropy and Wealth Education to support family foundations in distributing nearly \$70 million to meaningfully impact causes they care deeply about, fostering a sense of connection, purpose and fulfillment as they contributed to making a positive impact in society.
- Launched a Sustainable Investing Advisory Council composed of established thought leaders to serve as an invaluable resource to the firm and our clients, offering diverse perspectives, expertise and strategic insights that are instrumental in navigating today's complex environment.

We also advanced our efforts to be the preferred employer in the industry by fostering a work environment where employees are valued, respected and motivated to excel. Successfully navigating a workforce comprising five generations requires a proactive and intentional approach that recognizes and leverages a diversity of experiences, skills and perspectives across the organization.

In 2023 we launched a Cultural Ambassador program to support the successful integration of new hires and introduced three new firmwide Employee Resource Groups (ERGs). These efforts promote an inclusive community, which ensures that the broad knowledge and perspectives of our entire team are used to foster client-focused innovations and deliver superior outcomes and experiences.

We value our status as a private, independent fiduciary. This positioning allows us to align our time horizon more closely with that of our clients. Our aim is to serve clients over multiple generations. Maintaining a well-capitalized and highly liquid balance sheet with minimal or no debt engenders

Our ERGs bring together colleagues who share common identities, characteristics or lived experiences. Along with the allies that support them, these groups focus on providing a supportive community, offering professional development opportunities and raising awareness of different cultures and backgrounds. Their efforts are part of our broader focus on fostering an inclusive workplace environment where colleagues are respected and valued. Our four ERGs and the colleagues they support are:

- WING – Women: Glenmede's women's network
- Multicultural Mosaic – Employees representing diverse ethnicities, races, religions and languages
- CARES – Caregivers: Assistance, Resources, Education and Support
- SAGA – LGBTQ+: Supportive Authentic Glenmede Alliance

confidence that we can weather volatile markets and economic cycles, invest in the business to continually enhance the client experience and return value to our shareholders. Our financial prudence in managing the business has allowed us to continually evolve while also paying dividends to shareholders for 62 consecutive years.

## Board of Directors Update

In 2023 we expanded our Board of Directors with the election of Mary Stengel Austen and Roger A. Sayler, CFA. Ms. Stengel Austen was Chief Executive Officer and Co-Founder of Tierney, one of the Mid-Atlantic's largest communications agencies. She has 35 years of experience leading strategic communications for major brands. Mr. Sayler is a retired Executive Vice President and Chief Investment Officer of the Church Pension Fund, a position he held for nine years. He also chaired the internal investment committee in its process of selecting external investment managers and setting investment strategies. The new directors bring skills and experience that will complement the existing strengths of our board. Together, their collective expertise will support us in delivering an exceptional experience to clients and achieving lasting impact in our communities.

## Milestone Retirement

We are proud of our culture that is defined by accountability, agility and integrity. It attracts and retains exceptional professionals across all experience levels, many of whom have devoted decades to Glenmede. In 2023 we noted the retirement of Gordon B. Fowler, Jr., who served Glenmede with distinction for more than 20 years.

After decades of visionary leadership, Gordon gracefully transitioned into retirement after serving as President and CEO since 2010, leaving behind a legacy of innovation and integrity. With meticulous planning and a deep sense of stewardship, he served as a thoughtful coach and mentor and ensured a seamless transition to the next generation of leadership. During his 13-year tenure as CEO, he spearheaded Glenmede's growth as we strengthened our Goals-Based Wealth Management and Planning approach, established Glenmede Investment Management, formed a dedicated Endowment & Foundation Outsourced Chief Investment Officer (OCIO) effort and opened four new regional offices. Gordon was a dedicated leader and, more importantly, continues to be a mentor and friend. It was my privilege to learn from and partner with Gordon on many of these efforts over the years.

As always, we remain committed to the principles outlined in this letter and are honored you have placed your trust in us. At Glenmede, we appreciate your engagement and look forward to sharing our progress as we continue this journey together. We continue to plan for our and your enduring success, far into the future.



Sincerely,

A handwritten signature in black ink, appearing to read "Peter J. Zuleba III". The signature is fluid and cursive.

**Peter J. Zuleba III**

President and CEO of The Glenmede Corporation and  
The Glenmede Trust Company, N.A.

# Our People

## Board of Directors The Glenmede Trust Company, N.A.

### **Mary Stengel Austen**

Director since 2024  
Co-Founder,  
Tierney

### **Norman T. Callaway<sup>1</sup>**

Director since 1993  
Associate Broker,  
Callaway Henderson Sotheby's International  
Realty

### **Susan W. Catherwood<sup>1</sup>**

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

### **Rhonda R. Cohen<sup>1</sup>**

Director since 2008  
Chair, The Glenmede Trust Company, N.A.  
Former Partner, Ballard Spahr LLP

### **Frances W. Ferguson**

Director since 2023  
Partner, Corporate and Institutional Banking,  
Marsh McLennan - Oliver Wyman

### **Aristides W. Georgantas<sup>1</sup>**

Director since 1998  
Chair, The Glenmede Corporation  
Retired Executive Vice President,  
The Chase Manhattan Bank  
(now JPMorgan Chase & Co.)

### **Ronald J. Naples<sup>1</sup>**

Director since 2006  
Retired Chairman and Chief Executive Officer;  
Chairman Emeritus,  
Quaker Chemical Corporation

### **James S. Pew<sup>1</sup>**

Director since 2005  
Director of Federal Clean Air Practice, DC,  
Earthjustice

### **J. Howard Pew II<sup>1</sup>**

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

### **Joseph N. Pew V<sup>1</sup>**

Director since 2014  
Attorney,  
Scarff Law Firm, PLLC

### **Sandy F. Pew<sup>1</sup>**

Director since 1993  
Businessman/Rancher

### **John F. Porter III<sup>1</sup>**

Director since 2000  
Chair, The Glenmede Trust Company of Delaware  
Trustee Emeritus, Alfred I. duPont Charitable Trust  
Retired Chairman and Chief Executive Officer,  
Delaware Trust Company (now Wells Fargo)

### **Roger A. Saylor**

Director since 2024  
Retired Executive Vice President and Chief  
Investment Officer,  
Church Pension Fund

### **Sean X. Wang**

Director since 2023  
Entrepreneur/Inventor

### **Arlene M. Yocum<sup>1</sup>**

Director since 2019  
Retired Executive Vice President,  
PNC Bank

### **Peter J. Zuleba III**

Director since 2023  
President and Chief Executive Officer,  
The Glenmede Trust Company, N.A.  
President and Chief Executive Officer,  
The Glenmede Corporation

# Our People

## Executive Committee

**Peter J. Zuleba III<sup>2</sup>**

President and Chief Executive Officer

**Gabrielle D. Bailey**

Chief Fiduciary Officer

**Ann Marie Bell**

Chief of Staff

**Nina L. Cohen**

Chief Diversity, Equity & Inclusion Officer

**Adam M. Conish**

Director of Endowment &  
Foundation Management

**Erin Haas**

Chief Human Resources Officer

**John F. McCabe IV<sup>2</sup>**

General Counsel

**Thomas P. Melcher**

Director of Private Wealth

**Raj M. Tewari<sup>2</sup>**

Chief Operating Officer

**Kent E. Weaver**

President, Glenmede Investment Management LP

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## Our Offices

**Glenmede Headquarters**

Philadelphia, Pennsylvania

Cleveland, Ohio

Morristown, New Jersey

New York, New York

Palm Beach, Florida

Pittsburgh, Pennsylvania

Princeton, New Jersey

Washington, DC

Wilmington, Delaware

<sup>2</sup> Also Officer of The Glenmede Corporation



# The Financials

## Highlights

Glenmede delivers a range of investment, wealth and advisory services to three distinct client segments: individuals and families, endowments and foundations, and institutional investors. Our 2023 financial results continued to highlight the value of our client offering and the company's position of strength and stability over the long term.

For the year, assets under management (AUM) rose 9%. All three client segments contributed to this growth, and for the year we maintained an overall client retention rate of 98%. Net income was 58% higher than 2022, while stockholders' equity totaled \$245 million at year-end, a record high.

For Glenmede, these results materialized within a challenging climate. For much of the year, investors faced volatility, elevated inflation and calls for a potential recession. This was juxtaposed by a surge in returns over the last two months of 2023 in response to cooling inflation levels and projections for interest rate cuts in 2024.

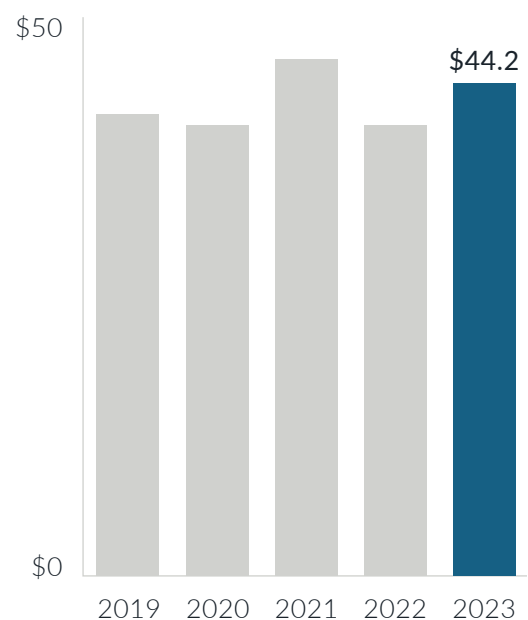
## Operating Results

Operating revenue, which is predominantly derived from fees tied to client AUM, totaled \$220 million and was comparable to the 2022 result. This reflected a similar month-end average of AUM in both periods. While AUM did increase by 9% for the year, much of that increase materialized in the fourth quarter and did not have a significant impact on fees earned.

Operating expenses totaled \$199 million in 2023, 5% higher than 2022, which ultimately led to a decline in income from operations. This increase in operating expenses was primarily related to compensation and benefits, which included nonrecurring costs tied to hiring and succession planning. Glenmede continues to maintain a competitive compensation and benefits program that is designed to attract, develop and retain top-level talent, and to position the company as an employer of choice within the industry.

Net income totaled \$27 million in 2023, 58% higher than 2022, primarily resulting from non-operating revenue that was generated from the company's investment portfolio. In 2023 the Glenmede portfolio delivered over \$6 million in interest income and produced net gains of \$8 million.

Assets Under Management (in billions)

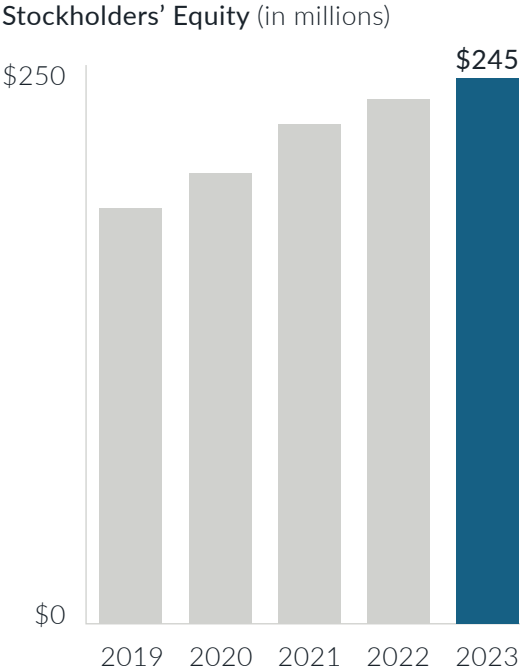


# Financial Condition

Glenmede continued to maintain a well-capitalized balance sheet that materially exceeded regulatory minimums. Assets reached \$337 million at the end of 2023, an increase of 12% over the prior year. Much of these assets were highly liquid, with cash, investments and fees receivable representing 72% of the total. At year-end, the value of Glenmede’s diversified portfolio of investments stood at \$182 million, or 33% higher than the end of 2022. This increase included a deliberate shift of cash holdings to Treasury bill investments as the company sought to capitalize on an attractive interest rate environment in 2023. This shift between cash and investments is apparent through the year-over-year changes to Glenmede’s balance sheet and statement of cash flows.

Having fully embraced a hybrid work construct, Glenmede will be relocating its Philadelphia headquarters to a higher set of floors within One Liberty Place. This new location will be designed to promote collaboration and create energy and vibrancy for both clients and employees. Accounting for this upcoming relocation led to notable increases to assets and liabilities, which materially offset. As of year-end, the company’s liabilities did not include any debt.

In 2023 Glenmede distributed dividends to shareholders for the 62nd consecutive year, and the regular annual dividend rate remained at \$12 per share. At year-end, stockholders’ equity totaled \$245 million, which represented a 4% increase over the end of 2022.



## Consolidated Balance Sheets

<i>In thousands</i>	December 31 2023	December 31 2022
<b>ASSETS</b>		
Cash and cash equivalents	\$40,180	\$ 75,990
Investments	182,449	137,477
Fees receivable	20,851	20,194
Premises and equipment	14,548	15,976
Lease right-of-use assets	50,545	26,462
Other assets	28,898	25,216
<b>Total assets</b>	<b>\$337,471</b>	<b>\$301,315</b>
<b>LIABILITIES</b>		
Lease liabilities	\$57,012	\$33,423
Other liabilities	35,693	31,934
<b>Total liabilities</b>	<b>92,705</b>	<b>65,357</b>
<b>STOCKHOLDERS' EQUITY</b>		
Common stock and surplus	47,697	57,335
Accumulated other comprehensive income (loss)	871	(208)
Retained earnings	299,107	275,986
Treasury stock, at cost	(102,909)	(97,155)
<b>Total stockholders' equity</b>	<b>244,766</b>	<b>235,958</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$337,471</b>	<b>\$301,315</b>

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

## Consolidated Statements of Income

<i>In thousands</i>	Year Ended December 31 2023	Year Ended December 31 2022
<b>OPERATING REVENUE</b>		
Investment, fiduciary and other client service fees	\$180,619	\$174,972
Mutual fund fees	39,402	45,096
<b>Total operating revenue</b>	<b>220,021</b>	<b>220,068</b>
<b>OPERATING EXPENSES</b>		
Compensation and benefits	125,069	117,136
General, administrative, depreciation and amortization	56,692	54,182
Shareholder servicing and sub-advisory	17,090	17,202
<b>Total operating expenses</b>	<b>198,851</b>	<b>188,520</b>
<b>Income from operations</b>	<b>21,170</b>	<b>31,548</b>
<b>NON-OPERATING REVENUE (EXPENSE)</b>		
Net realized and unrealized gains (losses) on investments	7,571	(12,606)
Investment and other income, net	7,429	2,331
<b>Total non-operating revenue (expense)</b>	<b>15,000</b>	<b>(10,275)</b>
Income before income taxes	36,170	21,273
Provision for income taxes	9,267	4,237
<b>Net income</b>	<b>\$26,903</b>	<b>\$17,036</b>

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## Consolidated Statements of Cash Flows

<i>In thousands</i>	Year Ended December 31 2023	Year Ended December 31 2022
<b>OPERATING REVENUE</b>		
Net income	\$26,903	\$17,036
Non-cash items and changes in operating assets and liabilities	(2,840)	19,422
<b>Net cash provided by operating activities</b>	<b>24,063</b>	<b>36,458</b>
<b>INVESTING ACTIVITIES</b>		
Net investment portfolio activity	(33,406)	(10,214)
Capital expenditures	(3,431)	(3,323)
<b>Net cash used in investing activities</b>	<b>(36,837)</b>	<b>(13,537)</b>
<b>FINANCING ACTIVITIES</b>		
Principal payments on note payable	-	(1,667)
Net repurchases of common stock	(16,815)	(4,133)
Dividends paid	(6,221)	(6,320)
<b>Net cash used in financing activities</b>	<b>(23,036)</b>	<b>(12,120)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(35,810)</b>	<b>10,801</b>
Cash and cash equivalents at beginning of year	75,990	65,189
<b>Cash and cash equivalents at end of year</b>	<b>\$40,180</b>	<b>\$75,990</b>

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

This material is intended to review matters of possible interest to Glenmede clients and friends and is not intended as personalized investment advice. When provided to a client, advice is based on the client's unique circumstances and may differ substantially from any general recommendations, suggestions or other considerations included in this material. Any opinions, recommendations, expectations or projections herein are based on information available at the time of publication and may change thereafter. Information obtained from third-party sources is assumed to be reliable but may not be independently verified, and the accuracy thereof is not guaranteed. Outcomes (including performance) may differ materially from any expectations and projections noted 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 any matter discussed herein with their Glenmede representative.