

GLENMEDE

THE **STRENGTH** OF INDEPENDENCE

SUCCESS MONSTRATES SHORT-TERM STABILITY AND DEPENDENCE.

**A.E. Piscopo, President
and Chief Executive Officer**



To our Shareholders, Clients, and Financial

More than a good year, 2007 proved to be exceptional. Glenmede's performance this year is the culmination of successive years of consistent focus and growth. However, our success points beyond a single year's efforts to demonstrate the long-term rewards of stability and independence. More importantly, it confirms the core value at the foundation of our company: a relentless focus on investment management and wealth advisory services.

Our results reflect the intensity of our commitments. In 2007, we reached a significant milestone: for the first time ever, assets under management crossed \$20 billion to close the year at \$20.9 billion, which produced a net income of \$17.7 million. New client assets of \$1.7 billion will generate \$6.7 million in fees, about 40% of which came from existing clients. Glenmede's stock price reflected our success, reaching \$330 per share.

The most important successes were those enjoyed by the people who gave us their trust. For the five years

average, the last five years saw a return of 31%; 2007 saw a return of 55% on that

Service Perceptions Financial Performance

While the satisfaction of our clients is the most important measure of our performance, the recognition and appreciation of our party recognition is a key indicator of our success.

Luxury Institute's recognition of Glenmede as one of the top 100 private equity firms in the world is a testament to our brand perception and the quality of our services.

- Willingness to recommend Glenmede to others
- Delivering consistent results
- Perceived worth of services

These rankings reflect the high regard in which we are held by our clients and the industry. The percent of American clients who acknowledge that Glenmede's services are of high quality is a testament to our commitment to excellence.

During 2007, our focus and diligence created ordinary value for clients, shareholders and employees.

A.E. Piscopo, President and Chief Executive Officer

Investment Strategy

launched Glenmede GIM), a registered investment advisor under the direction of Chief Investment Officer, Glenmede applies its investment strengths in alternative investment products to the market. Progress in a number of alternative investment operations, including alternative investment requirements and regulatory requirements, will approach our key investment business assurance objectives. Peter D'Adamo, Chief Investment Officer overseeing the Securities

business, is viewed as a key asset of Glenmede GIM, establishing a strong foundation for our second area of focus. Glenmede's Joseph D. Shelley, Chief Investment Officer Relations, Joe's focus is to ensure that Glenmede's investment strategy is defined accurately and implemented by consultants. We also plan to support proposal development. These foundational

New and Familiar Faces

One of the primary advantages of private ownership has been Glenmede's ability to attract and retain talent aligned with our concentration on long-term performance and thought-leadership. In 2007, we welcomed Kenneth B. Trippe, First Vice President and Director of Private Investments. He leads both the private equity and real estate investment teams where he can leverage his more than twenty years of prior experience. Ken oversees the private investment team as they perform due diligence and assess the expertise, commitment and integrity of prospective partners in our direct and fund-of-fund investments.

In an environment that rewards consistency, we have the privilege of celebrating significant milestones in our employees' Glenmede careers. This year, for example, two employees marked their twenty-fifth anniversary at Glenmede. Katherine E. Koch joined Glenmede in August of 1982. During her tenure, she has served as Treasurer and Manager of Securities Operations. Today, Kate is a Senior Vice President, Managing Director of Operations, and a member of Glenmede's Management Committee. She oversees a staff of thirty employees who are responsible for information technology, performance measurement, securities operations and back office support for all Company locations.

Mary Ann B. (Sally) Wirts has been with Glenmede

Management. Sally directs the portfolio managers, traders and analysts who oversee the fixed income portion of client portfolios. She is the President of The Glenmede Funds and serves on Glenmede's Investment Policy Committee.

Finally, I would like to reflect on an anniversary of my own – my thirty-fifth year at Glenmede. The past three and a half decades have brought both challenges and rewards, yet one thing has remained constant: the pleasure of working with and for an exceptional team of people.

Offices Experience Continued Growth

Glenmede's collective success builds upon the achievements of our individual offices. Their accomplishments merit our recognition. In 2007, the Wilmington office grew assets under management and crossed the \$1 billion threshold. In Ohio, assets surpassed the \$2 billion mark. Overall business continues to grow. Philadelphia, Ohio and Delaware deserve special recognition for leadership in delivering record new business.

Engaged in Our Community

Our founders, the Pew family, gave Glenmede both its business imperative and its call to community service. Glenmede assumes leadership roles in a number of local civic and charitable causes across a range of issues from arts and education to health and

This year provides to one engaged sponsor that same values we bring to dedication, and over seven years, Glenmede City Year Greater leadership program and fosters a love of First Vice President Matthew J. Cross mentored a City mentors, we helped neighborhood schools in essential professions long after the service one example of the individuals in it

Prepared for 2008

Though we bring and institutional success confront a period demands anything a culture of response we will continue to us with the knowledge ultimately leads to



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Howard E.N.
Director of C

Glenmede Executive Officers (left to right):
Williamson, A.E. Piscopo, Howard E.N. Wilson, Gordon B. Fowler, Jr.



The Value of Independence

advisory services, pursue business transactions that prove to be more destabilizing than productive. As with the market place, Glenmede has been shaped and reshaped, but we believe that our independence has allowed us to appropriately invest in the business and develop sophisticated solutions to meet client requirements with reasonable profit objectives. We are a different company than we were five years ago or ten years ago with one exception: we are independent and staunchly committed to our clients.

been shaped and us to higher standards; we have the will to pursue the solutions to find the will to pursue

One Focus Stands Out

As a private company, Glenmede is free to concentrate on investment and wealth management. There are no other interests to deflect our resources, no ancillary sources of income to distract our sense of purpose. In short, we are accountable for our clients' long-term interests – and nothing else.

While challenging, our focus is also empowering. It allows us to attract accomplished professionals who share our values. We can retain top talent by encouraging their pursuit of lasting, high-quality service relationships.

Taking Ideas into Action

In 2007, Glenmede's commitment to sustained quality was reflected in a variety of key investments

them to see the their overall finan holistic view of th the array of spec we are now abld comprehensive an this effort, we re our core wealth tax advisory, e generation educat heighten awarene these areas and c as resources for ou

In addition, we cor wealth manage of our portfolio m

DEPENDENCE LEADS US TO MAINTAIN A CULTURE OF UGHTRFUL LABORATION FOR EACH CLIENT. 55

Gordon B. Fowler, Jr.,
Chief Investment Officer

Principles Maintain the Course in a Turbulent Year

During the summer of 2007, the sudden unwinding of the housing bubble spilled over into the credit markets and reversed some very favorable trends for equities. Falling housing activity and tougher credit standards depressed consumer spending and brought a halt to many private equity and merger deals. Earnings growth, the driver of stock prices over the short run, slowed. In aggregate, market indices did post positive returns for 2007, with the S&P 500 up 5.5%. These were, however, far from easy times to invest in stocks, as the average stock in the Russell 3000 universe fell

During chaotic investment periods, diversification among different asset classes tends to cushion volatility and raise returns over time. This was certainly the case in 2007 as developed international markets rose by 11.2% and emerging markets increased by 39.4%. These investments benefited from a weaker U.S. dollar and robust economic growth in developing economies. When investing overseas, portfolio managers made good use of not only Glenmede's own International Equity Fund but also the best-in-class, outside managers available through our Manager Alliances Program. As of the end of the year, the Manager Alliances Program supervised \$1.6 billion in international and domestic assets.

Quality Bias Rewards our Investors

A bias towards quality also helped last year when some of the more speculative parts of the market suffered. Glenmede portfolios incorporate this quality bias in several ways. For example, we believe that the fixed income portion of our clients' assets should be their "sleep well" money; our fixed income portfolios, therefore, have historically had a very strong bias towards high-quality credits. Further, we look for evidence of quality through research that goes beyond agency ratings and, in the case of tax-exempt securities, the presence of municipal bond insurance, both of which have been severely tested by the credit crisis. Rather than relying solely on these two factors, we consistently seek investment opportunities based on the financial capacity of the issuer to support its debt obligations. As a result, the fixed income portion of client portfolios remained strong.

Glenmede's equity investment process also has a strong quality bias, manifested in several ways. First, all of the

designed to identify returns. Last year, though, a second layer of our fundamental research changes in the economic tilted our portfolio towards better business models, creating potential, creating value. Finally, our investment in undervalued assets declines when market prices are high and increases when they are low. This bias caters to our clients' needs for stocks, which perform better in periods of small capitalization. Volatile times present opportunities. Glenmede's 2007 challenges were to diversify our portfolios to include both equities and fixed income assets. We look forward to continuing to help our clients manage risk and return. It has also given us a chance to reassess our assets. We suspect a difficult point for our clients, regarded as a great working hard this year, and find

more than business communities where we provide financial support. Over the years, individual community members have been using their resources ranging from financial to social services.

Our expanded broad-based support through the Federation and the University chairs the Alexis de Tocqueville Society is the leadership of more than 500 leaders and more than \$10,000 or more in the United Way has the support of the region. In addition, we support arts organizations like the Center for Music and The University of cooperation and leadership, as well as civic organizations in 2007.

Supported by four children of the University of the Pew family, we honor our family's legacy of leadership more than a tradition." We are proud to be a living heritage and is expressed in our communities where we support our institutional support. We encourage employee support to local charities that support our matching gifts program. Financial support to education, directly involves

Al Pisco, for example, continued to serve on the Board of Community College of Philadelphia Foundation, the private funding development arm of Community College of Philadelphia. The Foundation seeks to support the College's mission by bringing together community leaders who will serve as ambassadors of the College broadening the College's image within the community.

Thanks to a tax credit program sponsored by the Commonwealth of Pennsylvania, since 2002 Glenmede has been able to support a variety of organizations improving the quality of education in Philadelphia public schools. In 2007, with our financial backing, Glenmede staff have made numerous volunteer and leadership contributions to organizations such as:

- Philadelphia Futures — provides promising, urban high school students with the tools they need to achieve their dream of a college education, including long-term mentoring, financial incentives and a year-round program of academic enrichment and college guidance. Laura Williamson serves on the Board.
- White Williams Scholars — encourages high academic achievement in Philadelphia public high school students of limited financial resources in order to increase their opportunities for success in the future. Gordon Fowler serves on the Board.
- Children's Literacy Initiative — works to increase literacy skills among low-income, urban children in pre-kindergarten to third grade by improving teacher effectiveness through exposure to best practices in Model Classrooms. Professional

“Glenmede sustains a tradition of cultural and civic engagement contributing both financial support and **POWELL** volunteer”

La
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*Glenmede Management Committee (left to right):
 ... Reintzel, Katherine E. Koch, David R. Prickril, A.E. Piscopo, Gordon B. Fowler, Jr.,
 Wilson, James R. Belanger, Lisa M. Whitcomb, Laura A. Williamson*

**Our Experience
 Lifetimes**

Program, Glenmede City Year, a year-long leadership development between the ages into empowered ing in city schools volunteers develop skills that can only erience.

ered teams based in we are supporting members running s initiative brings r 150 high school hia. Under the tudents volunteer

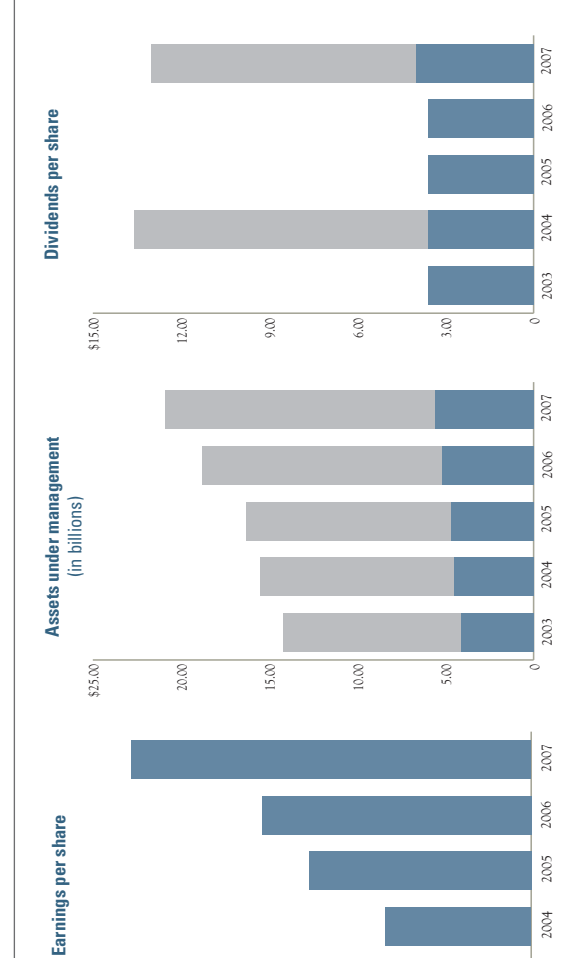
and President of the Philadelphia Eagles, notes, “Over the years, Glenmede has not only sponsored every aspect of City Year in our community, but their employees care about Philadelphia youth and have been regularly engaged in active service projects, helping Philadelphia become the largest City Year site in the country.”

Under the leadership of Matt Cross, First Vice President and Relationship Manager, Glenmede has deepened its relationship with City Year over the past two years through a mentoring program and service day activities. He and a dozen Glenmede colleagues serve as career mentors working one-on-one with our City Year corps members. This program helps the corps members prepare for life, post-City Year, by improving letter writing, resume writing and interviewing skills. “Our initial sponsorship role had been financial,” Matt says. “But our direct involvement helps create

GLENMED

2007 FINANCIAL REVIEW

	2007	2006	2005	2004	2003
Net income earned by The Glenmede Corporation reached \$17.7 million in 2007, an increase of \$5.5 million from 2006. The 2007 result, which is a new record, was achieved on the strength of 15% growth in revenue from 2006 accompanied by 6% growth in expenses. Net income per diluted share outstanding was \$30.36 and \$20.73 in 2007 and 2006, respectively.	\$ 65,405	\$56,614	\$53,249	\$47,512	\$43,909
Glenmede provides investment management, trust, and wealth advisory services to more than 1,600 clients with total assets under management of \$20.9 billion at the end of 2007. Glenmede has served as the trustee for seven trusts, collectively known as The Pew Trusts, since 1956. At the end of the year, the market value of The Pew Trusts' portfolios, included in assets under management, totaled \$5.6 billion.	12,261	10,382	12,716	10,393	10,916
The Glenmede Trust Company's services include asset management and custody, fiduciary administration, and specialized advice in financial planning, tax and estate, and philanthropic matters. The asset management services delivered to clients generally involve asset allocation strategy and a diversified investment portfolio customized to each client's unique objectives and risk tolerance. Glenmede may employ outside managers for specialized investment classes as a source of further diversification. At the end of 2007, \$4.9 billion of total assets under management were managed by third parties selected and supervised by Glenmede.	17,566	15,476	6,145	5,384	4,238
The Company's registered investment advisor, Glenmede Investment Management LP (GIM) is the advisor for \$6.2 billion of Glenmede's investment strategies in equity and fixed income securities, including \$3.4 billion for The Glenmede Funds. Glenmede has a longstanding, well-defined investment process that integrates quantitative and fundamental investment research and is distinguished by its attention to risk control. This aspect of Glenmede's operation was organized within a registered investment advisor to position Glenmede to compete for assignments	4,130	3,345	7,623	6,010	3,671
	2,144	1,847	1,350	1,092	1,203
	3,324	3,085	2,247	2,043	(729)
	811	1,384	2,299	2,107	2,142
	105,641	92,133	85,629	74,541	65,350
	77,958	73,349	69,022	63,830	62,421
	27,683	18,784	16,607	10,711	2,929
	10,020	6,610	5,880	3,575	839
	\$ 17,663	\$12,174	\$10,727	\$ 7,136	\$ 2,090
	\$ 31.72	\$ 21.39	\$ 17.64	\$ 11.58	\$ 3.40
	\$ 30.36	\$ 20.73	\$ 17.14	\$ 11.42	\$ 3.40
	\$ 13.00	\$ 3.60	\$ 3.60	\$ 13.60	\$ 3.60
	\$ 90,900	\$88,696	\$85,673	\$80,298	\$86,120
	\$ 20,323	\$29,326	\$26,943	\$30,039	\$33,396
	\$ 68,577	\$59,370	\$58,730	\$50,259	\$52,724



Fee revenue reached \$12.8 million (16% derived from the net income). At the end of 2007, total fee revenue had increased \$2.1 million. Incremental fee income from new additions to existing investment arrangements, and new client relationships. The combination of new and annualized fee revenue from existing clients. Client service fees for 2007 were \$78.2 million in 2007 compared to 2006 of \$75.2 million. Retention, and appreciation were key contributors to net assets and net income. The company contributed \$2.7 million in 2007 on a basis, these new assets. Appreciation in the value of more than \$4 million in engagements added to net income. The total fee earned in 2007 was \$12.8 million. Fees are based on the trustee fee rate. Total fee revenue reached \$5.6 billion in 2007, comparable in 2006. In the future dependence on outside management but not limited to, of outside management and external management within the strategic investment. Mutual fund fees a services provided to \$2.5 million in 2007 to Philadelphia Ir

	2007		2006	
	Wealth Management and GIM Clients	The Pew Trusts	Wealth Management and GIM Clients	The Pew Trusts
	\$61.5	\$12.3	\$53.6	\$10.4
	12.7	4.8	10.5	5.0
	2.3	2.3	1.6	1.6
	1.6	1.6	1.3	1.3
	\$78.1	\$17.1	\$67.0	\$15.4
	\$15.3	\$ 5.6	\$13.6	\$5.2
	\$73.8	\$17.5	\$82.4	\$18.8
	2.3	1.6	1.6	1.3
	\$95.2	\$20.9	\$82.4	\$18.8

advisory assignments

2.3 million in 2007.

in 2007 with \$48.3

December 31, 2007,

and private equity

Expenses

Operating expenses increased \$4.6 million (6%) to \$77.9 million in 2007. Compensation and benefits costs represent 65% of total spending and increased \$3.3 million as a result of variable compensation outcomes and favorable performance results against defined objectives. Base compensation rose as a result of general merit increases, and an increase in the number of employees to 254 compared to 245 positions in 2006. The impact of hiring on 2007 expense was offset by the timing of recruitment and non-recurring compensation in 2006. Benefits expenses in 2007 declined by \$0.5 million or 5%. All components of spending increased during 2007 with the exception of defined benefit pension cost. The combined effect of the 2005 change in the benefit formula, a commitment to funding above minimum requirements, and rising interest rates contributed to a reduction in defined benefit pension plan costs in 2007 compared to 2006.

Variable compensation and restricted stock expense totaled \$15.6 million, an increase of \$3.5 million compared to 2006 supported by performance outcomes that exceeded defined objectives. In 2007, this component represented 31% of compensation and benefits costs, compared to 26% in 2006.

All other operating expenses totaled \$27.2 million in 2007.

Annual Advisors, LP

Alpha International International equity

International

totalled \$4.1 million

entering Glenmede's

Dividends

on or 14% to \$2.6

es on cash balances

urities gains totaled

illion in 2006. The

rtfolio is managed

gains realized in

folio turnover and

net unrealized gain

The Corporation generated positive cash flow from operations in 2007 and 2006, and the assets of the Corporation remain liquid. In the aggregate, cash and cash equivalents, marketable securities, and fees receivable totaled \$68.4 million, net of borrowings, at the end of 2007, compared to stockholders' equity of \$68.6 million. The Glenmede Trust Company, N.A. is regulated by the Office of the Comptroller of the Currency. The Company's capital position exceeded all requirements established by this regulator throughout 2007 and 2006. Investments include securities classified as available for sale of \$39.2 million and comprise a balanced portfolio invested in a manner similar to client accounts. Investments in municipal bonds are chosen based on the credit quality of each individual issuer and are not based on agency ratings or insurance. These securities are carried at fair market value. Investments also include \$8.1 million of investments in limited partnerships, as well as private equity and real estate funds-of-funds.

For the five-year period ended in 2007, total distributions to shareholders in the form of stock repurchases and dividends exceeded \$38 million. The Corporation paid a dividend for the 46th consecutive year in 2007. The annual dividend rate rose to \$4.00 per share and the Board of Directors declared a special dividend of \$9.00 per share in October 2007. Dividends paid during the year totaled \$7.3 million. As of December 31, 2007, stockholders' equity totaled \$68.6 million; common stock outstanding totaled 557,373 shares and an additional 115,115 shares were held in treasury. Treasury shares are held for future issuance through employee compensation and benefit plans; approximately twelve thousand shares were issued for that purpose during 2007.

The Glenmede Corporation Long-Term Incentive Plan provides for the issuance of non-qualified stock options and restricted stock to eligible employees. A maximum of 150,000 shares of Class B common stock is available for grant under the plan. As of December 31, 2007, there were 64,712 options outstanding, all of which were exercisable and expire

\$30.36 (\$20.73 in 2006) and \$31.72 (\$21.39 in 2006) per share is primarily based on the Corporation's performance under its plans. Glenmede's contribution was \$1.6 million in 2007 and \$1.3 million in 2006. These years, but this contribution was \$1.6 million in 2007 and \$1.3 million in 2006. These years, but this contribution was \$1.6 million in 2007 and \$1.3 million in 2006. These years, but this contribution was \$1.6 million in 2007 and \$1.3 million in 2006.

Risk Management

There are inherent risks in the management and operation of the Corporation, including securities, legal, and operational risks. The Corporation coordinates with appropriate control and compliance monitoring to ensure appropriate confidentiality, and client data. The Corporation and business continuity plans are in place to ensure business interruption. The technology and business continuity plans are in place to ensure business interruption. The technology and business continuity plans are in place to ensure business interruption.

In thousands

Cash flows from operating activities

Net income	\$15,905
Non-cash expenses and changes in assets and liabilities	50,323
Net cash provided by operating activities	8,021

Cash flows from investing activities

Proceeds from sales and maturities of investments	9,954
Distribution from investments	
Purchases of investments	4,493
Capital expenditures	9,141
Net cash provided by investing activities	\$88,696

Cash flows from financing activities

Dividends paid	8,855
Principal payments on notes payable	2,762
Net repurchase of investments sold short	66,106
Issuance of Class B Common Stock for savings plan	(18,353)
Proceeds from exercise of stock options	68,577
Repurchase of Common Stock	59,370
Net cash used in financing activities	\$90,900

Year ended December 31

2007 **2006**

fees	\$65,405	\$56,614
	12,261	10,382
	17,566	15,476
	4,130	3,345
	2,955	3,231
	3,324	3,085
	\$105,641	\$92,133

Advisors, LP

	\$50,773	\$47,457
	25,561	24,238
	1,624	1,654
	77,958	73,349
	27,683	18,784
	10,020	6,610
	\$17,663	\$12,174

These financial statements are a condensed version of statements that have been audited by Glenmede

R. Anderson Pew³
Director since 1967
Director, Sunoco, Inc.
Retired Chief Executive Officer, Radnor Corporation
Retired President and Treasurer,
Helios Capital Corporation

Richard F. Pew³
Director since 1993
Businessman/Rancher

A.E. Piscopo
Director since 2002
President, The Glenmede Corporation
President and Chief Executive Officer,
The Glenmede Trust Company, N.A.

John F. Porter, III³
Director since 2000
Retired Chairman and Chief Executive Officer,
The Delaware Trust Company (now Wachovia)
Chairman of the Board, The Nemours Foundation
Trustee, Alfred I. DuPont Testamentary Trust

Robert G. Williams³
Director since 1996
Chairman, The Glenmede Corporation
Retired Chairman, Markel Corporation
Retired Vice Chairman, Girard Bank
(now Mellon Bank, N.A.)

Ethel Benson Wister³
Director since 1972

³Also Director of The Glenmede Corporation

Glenmede is an independent wealth advisory and investment management firm headquartered in Philadelphia, Pennsylvania. With additional offices in Delaware, Ohio, and New Jersey, Glenmede currently manages almost \$21 billion in assets for more than 1,600 high net worth individuals and institutions

OUR CORE VALUES:

We remain committed to our core values that have guided us for over fifty years:

- Service to the client above all else
- Honesty, integrity, and confidentiality of action

GLENMEDE

THE GLENMEDE TRUST COMPANY, N.A.
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GLENMEDE INVESTMENT MANAGEMENT LP
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