

# DISCIPLINED INTERNATIONAL EQUITY\*

## QUARTERLY COMMENTARY

### HIGHLIGHTS

- International stocks (as represented by the MSCI World ex U.S. Index) rose +6.2% during the quarter.
- The Glenmede Disciplined International Equity strategy outperformed the MSCI World ex U.S. Index for the quarter by +3.1% net of fees.
- The strategy reflected stock selection outperformance in nine of eleven sectors relative to the MSCI World ex U.S. Index. The most positive relative performances were in the Financials and Industrials sectors. The negative relative performances were in the Communication Services and Consumer Discretionary.

The Glenmede Disciplined International Equity Composite had a total return for First Quarter 2025 of +9.3% (net of fees). On a relative basis, the Disciplined International Equity Composite outperformed the MSCI World ex U.S. Index by about +3.1%.

In the First Quarter 2025, the MSCI World ex U.S. Index had a total return of +6.2% (US\$ equivalent). The performance in international equities was impacted by government instability in several countries and the Republican sweep in the U.S. elections with potential risks from trade tariffs. The MSCI EAFE Value Index (+11.6%) outperformed the MSCI EAFE Growth Index (+2.1%) by about +9.4%. For the Quarter, the best performing sectors in the MSCI World ex U.S. Index were Utilities (+12.4%) and Financials (+12.3%). The worst performing sectors were Information Technology (-3.4%) and Consumer Discretionary (-0.6%). The best performing countries in the MSCI World ex U.S. Index were Spain (+22.3%) and Norway (+21.0%), and the worst performing countries were Denmark (-11.7%) and New Zealand (-8.8%).

For the Quarter, the strategy had net positive contributions from multi-factor stock selection models, including biases towards lower valuations. Outperforming factors included dividend yield, Price/Earnings, P/E/G, Price/Cash Flow, return on equity, share repurchase, and market size. Underperforming factors included earnings growth, earnings estimate revisions and price momentum. The strategy reflected stock selection outperformance in 9 of 11 sectors relative to the MSCI World ex U.S. Index. The most positive relative performances were in the Financials and Industrials sectors. The negative relative performances were in the Communication Services and Consumer Discretionary. Industry group biases had net negative impacts on performance, including underweightings of Financials stocks. Country allocations had net positive impacts on performance, including overweightings in Germany and Spain, and underweightings in Australia and Netherlands.

\*Prior to 12/31/2024, the strategy was known as Glenmede Quantitative International Equity.

Although recession risks are elevated, economic data has been improving in Europe and Japan. China appears to be stabilizing. We expect positive corporate earnings growth for 2025 supported by declining inflation, prudent fiscal policy and monetary actions. However, trade tariffs and geopolitical risks can have significant global economic and financial impacts. Currently, our leading industry group indicators target overweightings in Health Care, Energy, Consumer Discretionary and Real Estate, and underweightings in Consumer Staples, Communication Services, Financials and Utilities. In comparison to last quarter, Consumer Discretionary strengthened with better Gross Profits/Enterprise Value and Price/Sales ratios, while Consumer Staples weakened from increasing valuations (relative Price/Book), decreasing relative earnings growth, and higher home prices. Both Industrials and Information Technology improved to neutral target weightings. Industrials strengthened from increasing global industrial production (Japan), lower valuations (Price/Book), and improved earnings estimate revisions. Information Technology strengthened from decreased valuations (Price/Sales) and better relative liquidity. Currently, our leading region indicators target overweighting in Japan and underweighting in Europe. In comparison to last quarter, Japan weakened as producer price indexes for metals decreased relative to plastics (possible demand shift from autos to other goods) and reduced share buybacks relative to other regions. Europe remained underweight as improvements in manufacturing buying policy were offset by rising manufacturers' inventory to sales ratios. We believe this strategy is well positioned with its multifactor approach favoring stocks with more attractive valuations, high cash flows, strong fundamentals, positive earnings/revenue estimate trends and favorable technicals.

DISCIPLINED INTERNATIONAL EQUITY Composite Performance (%)

As of 3/31/2025	QTD	YTD	1 YEAR	3 YEAR*	5 YEAR*	10 YEAR*	SINCE INCEPTION* (3/31/2021)
Glenmede (Gross)	9.5	9.5	11.7	10.4	n/a	n/a	8.6
Glenmede (Net)	9.3	9.3	10.8	9.6	n/a	n/a	7.8
MSCI World, ex US	6.2	6.2	5.3	5.7	n/a	n/a	5.0

\*Annualized

Glenmede Investment Management, LP claims compliance with the Global Investment Performance Standards (GIPS®).

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Past performance is not indicative of future performance and may be lower or higher than the performance quoted. All of the composites' valuations and returns are computed and stated in U.S. Dollars. Net numbers are net of max allowable management fee for this strategy. Additional information regarding the Firm's policies for valuing portfolios, calculating performance and preparing compliant presentations, is available upon request. A GIPS® compliant presentation, as well as a complete list of firm composites and performance, can be requested from GIM Client Service at 215.419.6662. Please see the GIPS® presentation for further explanation.

The MSCI World ex US Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US. The MSCI World ex US Index consists of the following 22 developed market country indices: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom. One cannot invest directly in an index. One cannot invest directly in an index. Prior to 12/31/2024, the strategy was known as Glenmede Quantitative International Equity.

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