

# DISCIPLINED INTERNATIONAL ADR EQUITY

## QUARTERLY COMMENTARY

### HIGHLIGHTS

- International stocks (as represented by the MSCI World ex U.S. Index) rose +5.3% during the quarter.
- The Glenmede Disciplined International Equity strategy outperformed the MSCI World ex U.S. Index by +3.5% net of fees for the quarter.
- The strategy reflected stock selection outperformance in 9 of 11 sectors relative to the MSCI World ex U.S. Index. The most positive relative performance vs. the index was in the Materials and Health Care sectors. The negative relative performance vs. the index was the Communication Services and Utilities sectors.

The Glenmede Disciplined International ADR Equity Composite had a total return for Third Quarter 2025 of +8.8% (net of fees). On a relative basis, the Disciplined International ADR Equity Composite outperformed the MSCI World ex U.S. Index by about +3.5%.

In the Third Quarter 2025, the MSCI World ex U.S. Index had a total return of +5.3% (US\$ equivalent). Investor sentiment was boosted by progress in tariff negotiations and positive economic growth outlooks. The MSCI EAFE Value Index (+7.4%) outperformed the MSCI EAFE Growth Index (+2.2%) by about +5.2%. For the quarter, the best performing sectors in the MSCI World ex U.S. Index were Materials (+11.9%) and Financials (+8.6%). The worst performing sectors were Consumer Staples (-1.0%) and Health Care (+0.7%). The best performing countries in the MSCI World ex U.S. Index were Spain (+12.9%) and Austria (+9.1%), and the worst performing countries were Denmark (-13.1%) and Germany (-1.1%).

For the Third Quarter, the strategy had net positive contributions from multi-factor stock selection models. Outperforming factors included price/earnings, dividend yield, EV/EBITDA, price/book, price/sales, and trading volume/liquidity. Underperforming factors included price momentum and earnings estimate revisions. 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 Materials and Health Care sectors. The negative relative performances were in the Communication Services and Utilities sectors. Industry group biases had net positive impacts on performance, including overweightings of Energy and Materials, and underweightings of Communication Services and Information Technology stocks. Country allocations had net positive impacts on performance, including overweightings in Spain and Canada, and underweightings in France and Germany.

Although recession risks are elevated, economic data has been improving in Europe and Japan. China appears to be stabilizing. For 2025 and 2026, many economists project real GDP growth of +.5% to +1.5% and consumer price inflation

of +2.0% to +3.5% for EU, UK & Japan, respectively. We expect positive corporate earnings growth for 2025 supported by consumer spending, increased productivity, relatively stable 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, Real Estate, Energy and Materials, and underweightings in Communication Services, Consumer Staples, Financials and Consumer Discretionary. In comparison to last quarter, Consumer Discretionary decreased from a modest overweight to a modest underweight (Retail and Durables). For Retail, dividend yield and P/E/G ratios weakened relative to the market, while inventory/sales ratios for nonmanufacturers increased. For Durables, price/sales and gross profits/enterprise value deteriorated on a relative basis. Consumer Staples (Household and Personal Products) turned less negative to a modest underweight with relative improvements in price/book ratios and more positive EPS estimate revisions (Fiscal Year 2). Information Technology (Software and Hardware) decreased to neutral. For Software, Return on Equity, P/E/G ratios, and Free Cash Flow margins deteriorated on a relative basis. For Hardware, gross profitability and taxes paid/market value declined relative to the market. Utilities improved to neutral with increases in the CPI for services and consumer confidence. Currently, our leading region indicators target an overweight in Japan and underweightings in Europe and North America. In comparison to last quarter, Japan increased from neutral to a modest overweight with improvements to industrial production, share buybacks and free cash flow/enterprise value. Europe remained modestly underweight with increases in analyst target prices offset by headwinds from a weakening dollar. The USA decreased to a modest underweight on increasing medical care costs and slower manufacturing supplier deliveries. 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 ADR EQUITY Composite Performance (%)

| As of 9/30/2025   | QTD | YTD  | 1 YEAR | 3 YEAR* | 5 YEAR* | 10 YEAR* | SINCE INCEPTION* (12/31/2014) |
|-------------------|-----|------|--------|---------|---------|----------|-------------------------------|
| Glenmede (Gross)  | 9.0 | 26.0 | 20.7   | 25.9    | 14.2    | 8.7      | 7.7                           |
| Glenmede (Net)    | 8.8 | 25.3 | 19.9   | 25.0    | 13.4    | 7.9      | 6.9                           |
| MSCI World, ex US | 5.3 | 25.3 | 16.0   | 21.6    | 11.6    | 8.4      | 7.1                           |

\*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 [gimclientservices@glenmede.com](mailto:gimclientservices@glenmede.com). 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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