

# DISCIPLINED INTERNATIONAL EQUITY

## QUARTERLY COMMENTARY

### HIGHLIGHTS

- International stocks (as represented by the MSCI World ex U.S. Index) rose +5.2% during the quarter.
- The Glenmede Disciplined International Equity strategy outperformed the MSCI World ex U.S. Index by +1.9 for the quarter net of fees.
- The strategy reflected stock selection outperformance in 7 of 11 sectors relative to the MSCI World ex U.S. Index. The most positive relative performances were in the Communication Services and Information Technology sectors. The most negative relative performances were in the Consumer Discretionary and Health Care sectors.

The Glenmede Disciplined International Equity Composite had a total return for Fourth Quarter 2025 of +7.1% (net of fees). On a relative basis, the Disciplined International Equity Composite outperformed the MSCI World ex U.S. Index by a spread of +1.9%.

In the Fourth Quarter 2025, the MSCI World ex U.S. Index had a total return of +5.2% (US\$ equivalent). Investor sentiment was boosted by progress in tariff negotiations, low inflation and more positive corporate earnings outlooks. The MSCI EAFE Value Index (+7.8%) outperformed the MSCI EAFE Growth Index (+1.9%) by about +6.0%. For the Quarter, the best performing sectors in the MSCI World ex U.S. Index were Utilities (+9.7%) and Health Care (+9.7%). The worst performing sectors were Communication Services (-7.1%) and Real Estate (+0.7%). The best performing countries in the MSCI World ex U.S. Index were Austria (+17.9%), Israel (+16.6%) and Finland (+14.3%), and the worst performing countries were Australia (-1.0%), New Zealand (-0.4%) and Portugal (+0.7%).

For the Fourth Quarter, the strategy had net positive contributions from multi-factor stock selection models, notably valuation metrics. Outperforming factors included price/sales, EV/EBITDA, price/cash flow, price/earnings, dividend yield, price/book, earnings estimate revisions, share repurchase and price momentum (12-M). Underperforming factors included earnings growth, return on equity and trading volume/liquidity. The strategy reflected stock selection outperformance in 7 of 11 sectors relative to the MSCI World ex U.S. Index. The most positive relative performances were in the Communication Services and Information Technology sectors. The most negative relative performances were in the Consumer Discretionary and Health Care sectors. Industry group biases had net positive impacts on performance, including overweightings of Health Care and Materials, and underweightings of Communication Services and Consumer Discretionary stocks. Country allocations had net positive impacts on performance, including overweightings in Spain and Finland, and underweightings in Australia and Netherlands.

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, the relative performance of defensive sectors may benefit from weakness in industrial materials (FIBER index) and stagnating home prices. Consumer Staples improved from a modest underweight to neutral with relatively better call transcript sentiment, earnings estimate revisions and lower valuations, Communications Services improved from a strong to moderate underweight, benefitting from relatively lower capital expenditures for telecommunications companies, better earnings quality and profitability in media. Financials remained modestly underweight with banks weakening on lower building permits and inflating valuations (book/price with intangibles, dividend yield), while insurance improved based on better proprietors' income for private enterprises and relative dividend yield. Currently, our leading region indicators target modest overweightings in Japan and Asia (ex Japan), and modest underweight in Europe. In comparison to last quarter, North America (Canada) increased to neutral from modest underweight based on improving free cash flow estimates and more sell-side buy ratings. Japan remained at a modest overweight as better Japanese industrial production offset increasing capital expenditures. Asia ex Japan increased to modest overweight, reflecting improving valuations (Price/Earnings NTM) and increasing analyst target prices. Although Europe remained at a modest underweight, there have been improvements in sell-side analyst target prices and better asset turnover in the region. 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 12/31/2025	QTD	YTD	1 YEAR	3 YEAR*	5 YEAR*	10 YEAR*	SINCE INCEPTION* (3/31/2021)
Glenmede (Gross)	7.3	41.4	41.4	23.1	n/a	n/a	13.1
Glenmede (Net)	7.1	40.3	40.3	22.2	n/a	n/a	12.2
MSCI World, ex US	5.2	31.9	31.9	17.6	n/a	n/a	9.1

\*Annualized

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

Glenmede Investment Management, LP, a registered Investment Advisor, is an affiliate of The Glenmede Trust Company, NA (GTC). The “Firm” is defined as all investment advisory accounts managed by Glenmede Investment Management LP.

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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