



# DISCIPLINED INTERNATIONAL ADR EQUITY

## QUARTERLY COMMENTARY

### HIGHLIGHTS

- International stocks (as represented by the MSCI World ex U.S. Index) rose +0.9% during the quarter.
- The Glenmede Disciplined International Equity strategy outperformed the MSCI World ex U.S. Index by +1.6% net of fees for the quarter.
- The strategy reflected stock selection outperformance in 8 of 11 sectors relative to the MSCI World ex U.S. Index. The most positive relative performances were in the Energy and Information Technology sectors. The most negative relative performances were in the Industrials and Financials sectors.

The Glenmede Disciplined International ADR Equity Composite had a total return for Third Quarter 2026 of +2.5% (net of fees). On a relative basis, the Disciplined International ADR Equity Composite outperformed the MSCI World ex-U.S. Index by about +1.6%.

In the Third Quarter 2026, the MSCI World ex U.S. Index had a total return of +0.9% (US\$ equivalent). The international equity indexes were led by positive contributions from financial and energy stocks. Despite ongoing issues with Iran, inflation and increased AI concerns, investor sentiment was boosted by resilient economic and earnings growth. In the quarter, crude oil prices rose by about 39%. In the past 30 days, majority of street analysts have raised their 2026 and 2027 EPS estimates for MSCI EAFE companies (58% positive revisions). The MSCI EAFE Growth Index (-2.5%) underperformed the MSCI EAFE Value Index (+4.3%) by about -6.8%. For the Quarter, the best performing sectors in the MSCI World xUS Index were Energy (+13.0%) and Communication Services (+7.3%). The worst performing sectors were Information Technology (-5.6%) and Utilities (-4.8%). The best performing countries in the MSCI World xUS Index were Singapore (+13.4%), Norway (+11.5%) and Ireland (+9.9%), and the worst performing countries were Denmark (-6.9%), Switzerland (-5.7%) and France (-5.5%).

For the Third Quarter, the strategy was negatively impacted from relatively lower market capitalizations versus the MSCI World ex USA Index. The strategy had net positive contributions from multi-factor stock selection models, notably valuation metrics. Outperforming factors included share repurchase, interest coverage, trading volume/liquidity, price/earnings, price/cash flow, price/earnings/growth, dividend yield and price/sales. Underperforming factors included market capitalization and price momentum (12-Month). The strategy reflected stock selection outperformance in 8 of 11 sectors relative to the MSCI World ex U.S. Index. The most positive relative performances were in the Energy and Information Technology sectors. The most negative relative performances were in the Industrials and Financials sectors. Sector weightings based on leading industry group indicators had net positive impacts on performance, including overweightings of Health Care and underweightings of Information Technology stocks. Country allocations had net positive impacts on performance, including overweightings in Hong Kong and underweightings in Switzerland stocks.

Although recession and inflation risks remain elevated, economic data has been relatively stable in Europe and Japan. For 2026 and 2027, many economists project real GDP growth of +0.5% to +1.5% and consumer price inflation of +1.5% to +3.5% for EU, UK & Japan, respectively. We expect positive corporate profit growth supported by increased productivity, consumer spending, relatively stable inflation, and prudent Fed monetary policy. However, the Middle East and other geopolitical risks can have significant global economic and financial impacts. Currently, our leading industry group indicators target overweightings in Health Care, Real Estate and Materials, and underweightings in Information Technology and Communication Services. In comparison to last quarter, Consumer Staples (Food, Beverage, Tobacco and Household Products) increased with improvements in change in cash flow, dividend yield, ROE and sales consistency. Materials increased as inflation indicators increased, and relative free cash flow yield and liquidity improved. Energy decreased as disposable personal income declined. Health Care decreased as valuation measures (price/sales, P/E/G) and earnings estimate revisions (free cash flow diffusion) declined relative to the market. Industrials (Commercial Services) decreased as ISM surveys for manufacturing production weakened. Communication Services (Media) decreased as industrial inflation (copper) increased. Currently, our leading region indicators target modest overweightings for Japan and United Kingdom, and underweightings for Europe and Middle East. In comparison to last quarter, Japan remained modestly overweight with increasing Japanese industrial production and improving free cash flow to EV. Europe remained strongly underweight due to potential currency headwinds, and relatively weaker target prices, growth estimates and asset turnover rates. The USA remained strongly overweight as large cap growth had muted returns versus small cap value stocks, capex for the average stock remains contained, and EPS estimate revisions remain strongly positive. Going forward, we believe the strategy is well positioned with its stock concentration limits, downside risk screens, and multifactor approach in selecting stocks with more favorable valuations, higher cash flows, better fundamentals, and positive earnings/revenue estimate trends.

## DISCIPLINED INTERNATIONAL ADR EQUITY Composite Performance (%)

| As of 9/30/2026   | QTD | YTD  | 1 YEAR | 3 YEAR* | 5 YEAR* | 10 YEAR* | SINCE<br>INCEPTION*<br>(12/31/2014) |
|-------------------|-----|------|--------|---------|---------|----------|-------------------------------------|
| Glenmede (Gross)  | 2.6 | 13.1 | 21.5   | 22.8    | 13.6    | 10.0     | 8.8                                 |
| Glenmede (Net)    | 2.5 | 12.6 | 20.7   | 21.9    | 12.7    | 9.2      | 8.0                                 |
| MSCI World, ex US | 0.9 | 10.2 | 15.9   | 18.9    | 9.7     | 9.3      | 7.8                                 |

\*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.

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