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ADR characteristics and performance in international and global indexes

| Original Article | Published: 10 April 2009

| Volume 10, pages 9–21, (2009) [Cite this article](#)



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Notes

1. International indexes such as EAFE and S&P Global 700 consist of foreign stocks (and ADR-based derivatives thereon), whereas global (world) indexes such as S&P Global 1200 include a mix of US and non-US stocks, generally as a proportion of global market cap.

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non-ADR-based foreign stocks in EAFE add to '100' by factor buckets. For example, in [Figure 1](#), ADRs on UK stocks make up 81 per cent of UK stocks covered in the EAFE index. For convenience, we refer to this factor-bucket-percentage as the ADR-to-non-ADR ratio.

6. In this section, we use an ADR breakout of the S&P Global 700 index. An ADR breakout of EAFE would be preferred for transition with our prior section on ADR characteristics. However, we (and Delaware Investors) were unable to find a readily available series of monthly returns on an ADR breakout of the EAFE index.
7. The issue of whether ADRs provide efficient or inefficient diversification should be framed relative to another international index. Also, if the ADR

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Acknowledgements

We thank Lawrence Franko, Senior Investment Professional, International Value

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Cite this article

Bandopadhyaya, A., Chugh, L. & Grant, J. ADR characteristics and performance in international and global indexes. *J Asset Manag* **10**, 9–21 (2009). <https://doi.org/10.1057/jam.2008.38>

Received	Revised	Published
22 March 2008	22 March 2008	10 April 2009
Issue Date		
01 April 2009		
DOI		
https://doi.org/10.1057/jam.2008.38		

Keywords

- [ADR](#)
- [global \(and international\) indexes](#)
- [characteristics](#)
- [performance](#)
- [efficient frontier](#)

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