Global Bond Fund

MARKET COMMENTARY

Global fixed income markets performed strongly across all sectors in 2023[1] as the economic environment improved. At the beginning of 2023, inflation remained elevated despite significant interest rate hikes by central banks, and market participants expected a challenging year ahead for growth. Since then, inflation has decelerated, growth has been better than expected, and many central banks are either discussing or implementing reductions in interest rates. The journey to this point has been far from smooth, as several financial institutions failed, interest rate expectations swung widely, and geopolitical stresses emerged. Our Investment Committee was able to capitalise on this volatile environment—relying on our rigorous bottom-up fundamental research and valuation discipline to identify attractive long-term investment opportunities and generate significant outperformance.

Globally, disinflation[2] was the dominant market theme of the year. Global inflation reached a peak of 10.3% in October 2022, but fell to 5.5% by the end of 2023, although there continues to be divergence across countries. The United States made steady progress toward the Fed's inflation target with core PCE[3] inflation falling from a peak of 5.6% in February 2022 to 2.9% by the end of 2023. This has prompted the Fed and market participants to forecast monetary easing in 2024. Some countries are already further along easing interest rates than the United States. In Brazil, for example, where inflation returned to the target band in the spring of 2023, the central bank has already cut the policy rate by a cumulative 200 basis points[4] (bp) to 11.65%. At the other end of the spectrum, the Bank of Japan continues to follow an exceptional monetary policy. In an effort to consolidate gains from government stimulus, it has remained largely accommodative through a combination of negative rates and yield curve control.

The U.S. dollar's modest decline, about 2%[5] versus other currencies, occurred amid high intra-year volatility and cross-currency dispersion. Strong performers included Fund holdings such as the Colombian peso, the Mexican peso, and the Brazilian real, which appreciated versus the U.S. dollar by 26%, 15%, and 9%, respectively. These currencies benefitted from their inexpensive starting valuations, high real yields, credible central bank policies, and various country-specific factors. On the other hand, the Japanese yen and, to a lesser extent, several other currency holdings depreciated.

Returns for the Corporate sector were excellent in 2023. Global corporate spreads tightened from 149 bp to 115 bp in 2023, to end the year below their long-term average. As with rates and currencies, spreads followed a winding path as they rose sharply in March due to the onset of U.S. regional bank stress and the takeover of Credit Suisse. Overall, longer-duration[6] and lower-rated securities performed the best and Industrials outperformed Financials. Generally, the volatile environment in 2023 was an excellent environment for active managers like ourselves.

INVESTMENT STRATEGY

The Global Bond Fund seeks to generate attractive risk-adjusted total returns by investing across global credit, currency, and interest rate markets. We evaluate each investment with a three- to five-year investment horizon in mind, but regularly adjust our positioning in response to changes in fundamentals and market pricing. During 2023, our active bottom-up investment process led us to trim 10 percentage points from the Fund's credit[7] weighting, lengthen the Fund's duration by 0.8 years, and make numerous adjustments to the Fund's non-U.S. dollar currency holdings.

Rates: A Roller Coaster Year

The elevated level of yields, significant intra-year rate volatility, and improvements in the macro environment provided opportunities to lengthen the Fund's duration by 0.8 years from 4.7 years to 5.5 years. While the United States remains the Fund's primary source of duration exposure, we implemented the majority of our duration extensions outside of the United States, including via some markets where the Fund's duration exposure had been negligible for many years. For example, we had previously viewed Germany's low, and sometimes negative, yields as offering inadequate compensation for duration risk. However, with German yields rising from negative levels at the start of 2022 to nearly 3% in October 2023, we established a small duration position during the fourth quarter. We expect disinflation and weak growth to lead to declining rates in Germany over our investment horizon. Similarly, we added duration in other highly rated markets, such as New Zealand and South Korea. We believe these positions can be a source of return enhancement and diversification within the Fund's carefully selected set of interest rate exposures.

With respect to the United States, we modestly increased duration exposure in response to the intra-year rise in yields and our expectation that GDP[8] growth and core inflation will slow, creating room for the Fed to ease monetary policy and for long-term interest rates to decline.

Meanwhile, we modestly reduced duration in some emerging markets, including Indonesia and Malaysia. In the case of Indonesia, we fully exited our remaining position, which we first initiated in 2017. Over this time, improvements in inflation control, trade balances, and macroeconomic stability drove strong performance, and we concluded that the valuation was no longer compelling. In Malaysia, we swapped our longer-dated bonds into shorter-term bonds, which we believe provide more attractive compensation for potential political and fiscal risks.

Credit: A Stellar, but Sometimes Bumpy, Year

Drawing on the deep fundamental research performed by our integrated research team, we have successfully added value through security selection and dynamically sizing the Fund's credit exposure over time. In response to credit spreads significantly tightening in 2023, we reduced the Fund's credit exposure by

10 percentage points, nearly reversing the 12 percentage point increase in 2022. We fully sold eight credit issuers and trimmed many others, with each decision driven by a bottom-up assessment of issuer fundamentals and valuation. The credit reductions were focused primarily on non-financial companies and some longer-duration credit securities in the portfolio, as we believe those are more vulnerable to future underperformance if spreads were to widen. While some of these holdings had been in the portfolio for many years, others had been purchased within the past year at significantly lower valuations. For example, our recent trims included Virginia Electric & Power Company 30-year debt that we had purchased in March and Colombia U.S. dollar-denominated 20-year government bonds that we had added to in May.

Intra-year credit market volatility also created opportunities to initiate new positions or add to existing holdings at attractive valuations. The failures of several regional banks and the takeover of Credit Suisse (none of which were held in the Fund) created interesting opportunities during the year to adjust our allocation to Financials. Of the 10 percentage point reduction in the Fund's credit weight, almost none came from Financials, which underperformed Industrials during the year. In May, we started a position in Charles Schwab and added to Boston Properties and Citigroup. During the fourth quarter, we purchased a newly issued UBS Group Additional Tier 1 (AT1) security.[9] We believe UBS is a highly creditworthy institution and that the 9.25% initial coupon on the AT1 security provides an attractive level of income relative to the risk of permanent loss of capital.

At year end, 48% of the Fund was invested in credit securities across a carefully underwritten set of issuers. We believe these holdings serve as an important source of durable yield in the portfolio and should perform well across a range of scenarios.

The proceeds from our credit trims were largely reinvested into Agency[10] mortgage-backed securities (MBS), with the Fund's securitised products weight rising nine percentage points to 18%. While they performed well during the year, we believe Agency MBS continue to offer low valuations, negligible credit risk, minimal prepayment risk, and provide an attractive incremental yield versus U.S. Treasuries and other high-quality investment alternatives.

Currency: A Continued Shift Toward Developed Markets

The Fund's non-U.S. dollar currency weight of 24% remains near its highest level since 2015. While 2022 was characterised by a sizeable and broad-based U.S.-dollar rally, which led us to increase the Fund's non-U.S. dollar currency exposure, the overarching theme for 2023 was moderate trade-weighted U.S. dollar weakness with heightened cross-currency dispersion. This environment provided ample opportunities to adjust the Fund's positioning. Although the portfolio's overall non-U.S. dollar currency exposure was fairly stable, over the course of the year we reduced the Fund's exposure to emerging market currencies by 3.1 percentage points and increased its exposure to non-U.S. developed market currencies by 3.4 percentage points, bringing this exposure to a multi-year high of 11%.

During the first half of 2023, we exited the Fund's Indonesia and Poland currency exposures, as we no longer believed these currencies were as attractively valued as other alternatives, and reduced its Mexican peso position on the basis of price discipline. Conversely, we increased the Fund's exposure to several undervalued developed market currencies, including the Australian dollar, Japanese yen, and Norwegian krone. During the fourth quarter, we initiated a position in the Chilean peso, which had depreciated significantly, presenting an attractive entry point for a currency that we believe is undervalued, has a single-A country credit rating, and a credible central bank.

IN CLOSING

We are pleased with the Fund's strong performance, which benefitted from the portfolio's interest rate, credit, and currency positioning. Looking forward, we remain optimistic about the outlook for the Fund and its set of carefully selected positions. As always, we thank you for your continued confidence in Dodge & Cox.

On behalf of the Board of Directors of Dodge & Cox,

Dana M. Emery,
Chair and Chief Executive Officer, Dodge & Cox
1 February 2024

1. As measured by the Bloomberg Global Aggregate Bond Index USD Hedged (Bloomberg Global Agg), which is a widely recognised, unmanaged index of multi-currency, investment-grade fixed income securities. Bloomberg calculates a USD hedged return by applying one-month forward rates to seek to eliminate the effect of non-USD exposures. All returns are stated in U.S. dollars, unless otherwise noted.
2. Disinflation is a temporary slowing of the pace of price inflation. The term is used to describe occasions when the inflation rate has reduced marginally over the short term.
3. Personal consumption expenditures (PCE) measure how much consumers spend on durable and non-durable goods and services. PCE is the Federal Reserve's preferred measure for inflation. Core PCE prices exclude food and energy prices.
4. One basis point is equal to 1/100th of 1%.
5. As measured by the Trade-Weighted U.S. Dollar Index, which measures the value of the United States dollar relative to other world currencies.
6. Duration is a measure of a bond's (or a bond portfolio's) price sensitivity to changes in interest rates.
7. Credit refers to corporate bonds and government-related securities, as classified by Bloomberg.
8. Gross domestic product (GDP) measures the monetary value of final goods and services—those that are bought by the final user—produced in a country in a given period of time. It counts all of the output generated within the borders of a country. GDP is composed of goods and services produced for sale in the market and also includes some non-market production, such as defense or education services provided by the government.
9. Additional Tier 1 Bonds, also called AT1 Bonds, are capital instruments banks issue to raise their core equity base.
10. The U.S. Government does not guarantee the Fund's shares, yield, or net asset value. The agency guarantee (by, for example, Ginnie Mae, Fannie Mae, or Freddie Mac) does not eliminate market risk.

Dodge & Cox® Worldwide Funds

Global Bond Fund

31 December 2023

Established in 1930, Dodge & Cox is one of the largest independently owned investment firms in the world. We manage money using a single value-oriented investment philosophy across a focused set of strategies.

Fund Inception
1 May 2014

Diversified Portfolio

Seeks Above-Average Yield to Maturity[2]

Countries Represented[3]
24

Details

Total Net Assets (millions)	$489.6
Distribution Frequency	Quarterly
Portfolio Turnover[6] 1/1/23 to 31/12/23	85%
Base Currency	U.S. Dollar
Structure	UCITS
Domicile	Ireland

Benchmark

Bloomberg Global Aggregate Bond Index (USD Hedged) - BBG Global Agg (H)

Risk Metrics (5 Years)

Standard Deviation[9,10]	8.43
Sharpe Ratio[9,11]	0.39

Investment Committee

Managed by the Global Fixed Income Investment Committee, whose members' average tenure at Dodge & Cox is 20 years.

Investment Objective

The Global Bond Fund seeks a high rate of total return consistent with long-term preservation of capital.

Investment Approach[1]

The Fund offers investors a highly selective, actively managed fund that complements core bond holdings by providing a diversified portfolio of carefully researched investments across global credit, currency, and interest rate markets over a long-term horizon. Generally, we:

- Invest with a total return mindset across a global investment universe that includes government and government-related obligations, mortgage- and asset-backed securities, corporate and municipal bonds, and other debt securities, from both developed and emerging markets.
- Build a diversified portfolio across several dimensions, including sector, country, currency and economic exposure.
- Select individual securities based on fundamental research and consider a variety of factors, including yield, credit quality, liquidity, covenants, call risk, duration, structure, and capital appreciation potential, as well as financially material environmental, social, and governance (ESG) issues.
- May employ various currency, interest rate, and credit-related derivatives, including forwards, futures, and swaps.

Share Classes

	Minimum Investment	Expense Ratio[4]	Distribution Yield[5]	SEDOL	ISIN	Bloomberg
USD Accumulating Class	$50,000	0.45%	-	B5568D6	IE00B5568D66	DCGBDUA
GBP Distributing Class	£50,000	0.45%	4.8%	B556C01	IE00B556C015	DCGBDGI
GBP Distributing Class (H)	£50,000	0.45%	4.8%	BLG2YK4	IE00BLG2YK48	DCGBGIH
EUR Accumulating Class	€50,000	0.45%	-	B51Q8R4	IE00B51Q8R41	DCGBDEA
EUR Accumulating Class (H)	€50,000	0.45%	-	BLG30W1	IE00BLG30W12	DCGBEAH
EUR Distributing Class	€50,000	0.45%	4.8%	BLG2YF9	IE00BLG2YF94	DCGBDEI
EUR Distributing Class (H)	€50,000	0.45%	4.8%	BLG2YG0	IE00BLG2YG02	DCGBEIH
CHF Distributing Class (H)	CHF50,000	0.45%	4.8%	BN6JJ48	IE00BN6JJ480	DOPGBHC

Performance[7,8]

Total Returns (%)

	Unannualised Returns		Average Annual Total Returns				
	3 Months	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date
Global Bond Fund							
USD Accumulating Class	8.64	12.17	12.17	0.60	4.93	3.12	01/05/14
GBP Distributing Class	3.97	6.37	6.37	2.98	4.94	6.16	01/05/14
GBP Distributing Class (H)	8.39	11.26	11.26	-0.07	3.85	2.21	01/05/14
EUR Accumulating Class	4.06	8.68	8.68	4.06	5.71	5.58	01/05/14
EUR Accumulating Class (H)	8.12	9.58	9.58	-1.21	2.80	1.29	01/05/14
EUR Distributing Class	4.09	8.80	8.80	4.07	5.74	5.59	01/05/14
EUR Distributing Class (H)	8.18	9.77	9.77	-1.20	2.81	1.30	01/05/14
CHF Distributing Class (H)	7.31	7.39	7.39	-	-	-2.33	01/07/21
BBG Global Agg (H, in USD)	5.99	7.15	7.15	-2.11	1.40	2.21	01/05/14

Returns represent past performance and do not guarantee future results. Investment return, costs and share price will fluctuate with market conditions and may be affected by currency fluctuations. Investors may have a gain or loss when shares are sold. Fund performance changes over time and currently may be significantly lower than stated above. Visit the Fund's website at dodgeandcox.com for current month-end performance figures.

Dana Emery
Chair and CEO (40 yrs at Dodge & Cox)

Jim Dignan
Fixed Income Analyst (24 yrs)

Lucy Johns
Assoc. Director of Fixed Income (21 yrs)

Adam Rubinson
Fixed Income Analyst (21 yrs)

Matt Schefer
Fixed Income Analyst (15 yrs)

Mimi Yang
Fixed Income Analyst (9 yrs)

Jose Ursua
Fixed Income Analyst (8 yrs)

Portfolio Breakdown (% of Fund)

Sectors[12]

Sector	%
Government	31.4
Government-Related	6.8
Securitised	17.5
Corporate	41.5
Net Cash & Other[13]	2.9

Credit Quality[12,14]

Rating	%
AAA	6.7
AA	27.9
A	13.4
BBB	27.8
BB	16.1
B	5.2
CCC and Below	-
Not Rated	-
Net Cash & Other[13]	2.9

Five Largest Countries[3,12]

Country	%
United States	47.7
United Kingdom	9.4
Mexico	5.9
Brazil	4.4
Japan	3.7

Five Largest Currencies (Net)[15]

Currency	%
U.S. Dollar	75.5
Japanese Yen	3.7
Brazilian Real	3.4
Mexican Peso	3.0
Norwegian Krone	2.5

Ten Largest Issuers (% of Fund)[16]

Issuer	Fund
U.S. Treasury Note/Bond	10.1
Freddie Mac	7.8
Fannie Mae	6.5
Japan Government	3.7
Brazil Government	3.4
Mexico Government	3.0
Norway Government	2.7
British American Tobacco PLC	2.4
Petroleos Mexicanos	2.1
Prosus NV	2.0

Portfolio Characteristics

	Fund
Yield to Worst[17]	5.6%
Effective Duration (years)[18]	5.5
Effective Maturity (years)	15.9
Number of Credit Issuers	50
Emerging Markets[3]	21.5%
Non-USD Currency Exposure[15]	24.5%

Risks

The yields and market values of the instruments in which the Fund invests may fluctuate. Accordingly, your investment may be worth more or less than its original cost. Debt securities are subject to interest rate risk, credit risk, and prepayment and call risk, all of which could have adverse effects on the value of the Fund. Investments in certain countries, particularly underdeveloped or developing countries, may be subject to heightened political and economic risks. The Fund's use of derivatives involves risks different from, and possibly greater than, the risks associated with investing directly in securities and other more traditional investments. Please read the prospectus for specific details regarding the Fund's risk profile.

1 Please see the Fund's Sustainable Finance Disclosures Regulation SFDR Disclosure available at dodgeandcox.com
2 Based on yield to maturity, which is the total rate of return anticipated for a bond if it is held to maturity, assuming all interest payments are made on schedule and the original principal amount is repaid.
3 The Fund may classify a company or issuer in a different category than the Index. The Fund usually classifies a company or issuer based on its country of risk, but may designate a different country in certain circumstances.
4 Dodge & Cox has voluntarily agreed to reimburse the Fund for all ordinary expenses to the extent necessary to limit aggregate annual ordinary expenses to 0.45% of the average daily net assets of each share class. Dodge & Cox may terminate or modify this agreement upon 30 days' notice to shareholders.
5 Distribution yield reflects the amounts that may be expected to be distributed over the next 12 months as a percentage of the current share price. The distribution yield is the same as the underlying yield. Investors may be subject to tax on their distributions.
6 Portfolio Turnover is calculated as the lesser of the portfolio purchases or sales divided by the average portfolio value for the period.
7 The Fund's total returns include dividends and interest income and reflect the deduction of expenses charged to the Fund. Index returns include dividends but, unlike Fund returns, do not reflect fees or expenses.
8 The Fund is actively managed and uses the benchmark index for performance comparison purposes only.
9 The data represents the USD Accumulating Share Class.
10 Standard Deviation measures the volatility of the Fund's returns. Higher Standard Deviation represents higher volatility.
11 Sharpe Ratio is a risk-adjusted measure that calculates excess performance with respect to the risk-free rate per unit of volatility over the time frame
12 Excludes currency and interest rate derivatives.
13 Net Cash & Other includes cash, short-term investments, unrealised gain (loss) on derivatives, receivables, and payables.
14 The credit quality distribution shown for the Fund is based on the middle of Moody's, S&P, and Fitch ratings, which is the methodology used by Bloomberg in constructing its indices. A rating of AAA is the highest possible credit rating, while a rating in the C's or D's is the lowest. If a security is rated by only two agencies, the lower of the two ratings is used. Please note the Fund applies the highest of Moody's, S&P, and Fitch ratings to determine compliance with the quality requirements stated in its prospectus. On that basis, the Fund held 14.0% in securities rated below investment grade. For consistency purposes, we use the S&P and Fitch rating categories. The credit quality of the investments in the portfolio does not apply to the stability or safety of the Fund or its shares.
15 Currency exposure reflects the value of the portfolio's investments based on the currencies in which they are issued, as well as the impact of any currency derivatives.
16 The Fund's portfolio holdings are subject to change without notice. The mention of specific securities is not a recommendation to buy, sell, or hold any particular security and is not indicative of Dodge & Cox's current or future trading activity.
17 Yield to Worst is a measure of the lowest possible yield that can be received on a bond that fully operates within the terms of its contract without defaulting.
18 Effective Duration is a measure of a portfolio's interest rate sensitivity, including the impact of derivatives used to adjust duration.

Figures represented by a dash are zero or have no associated data while figures represented by a zero may be rounded to zero.
Market values for debt securities include accrued interest.
The Bloomberg Global Aggregate Bond Index is a widely recognised, unmanaged index of multi-currency,investment-grade fixed income securities. Bloomberg calculates a USD hedged return by applying one-month forward rates to seek to eliminate the effect of non-USD exposures.
BLOOMBERG® and the Bloomberg indices listed herein are service marks of Bloomberg Finance L.P. and its affiliates. Bloomberg is not affiliated with Dodge & Cox and has not reviewed or approved any data or information used herein. For more information, visit dodgeandcox.com/index_disclosures.
This information should not be considered a solicitation or an offer to purchase shares of Dodge & Cox Worldwide Funds plc or a solicitation or an offer by Dodge & Cox Worldwide Investments Ltd. and its affiliates to provide any services in any jurisdiction. A summary of investor rights is available in English at dodgeandcox.com. Dodge & Cox Worldwide Funds plc are currently registered for distribution in Austria, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, South Africa, Spain, Sweden, Switzerland, and the United Kingdom. The Funds may terminate the arrangements made for the marketing of any fund or share class in an EU Member State at any time by using the process contained in Article 93a of the UCITS Directive.
This is an advertising document. First Independent Fund Services AG, Klausstrasse 33, CH-8008 Zurich, is the representative in Switzerland and NPB Neue Privat Bank AG, Limmatquai 122, CH-8024 Zurich, is the paying agent in Switzerland. The sales prospectus, key investor information, copies of the articles of association and the annual and semi-annual reports of the fund can be obtained free of charge from the representative in Switzerland.

Marketing Communication. The views expressed herein represent the opinions of Dodge & Cox Worldwide Investments and its affiliates and are not intended as a forecast or guarantee of future results for any product or service. To obtain more information about the Funds, before making any final investment decisions, please refer to the Funds' prospectus and applicable key information document at dodgeandcox.com, or call +353 1 242 5411.