Dodge & Cox®

Investment Focus

Global Bond Fund

December 31, 2023

Performance[1]

Total Returns (%)

			Average Annual Total Returns				
	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception (12/5/2012)
Global Bond Fund — Class I	8.65	12.31	12.31	0.74	5.12	3.56	3.47
Global Bond Fund — Class X	8.67	12.48	12.48	0.78	5.15	3.58	3.48
Bloomberg Global Aggregate Bond Index (USD Hedged)	5.99	7.15	7.15	-2.11	1.40	2.41	2.17

Returns represent past performance and do not guarantee future results. Investment return and share price will fluctuate with market conditions, and investors may have a gain or loss when shares are sold. Mutual Fund performance changes over time and currently may be significantly lower than stated above. Performance is updated and published monthly. Current month-end performance can be obtained at dodgeandcox.com or by calling 800-621-3979.

Market Commentary

In the fourth quarter of 2023, global fixed income markets delivered their strongest quarterly performance in decades. The Bloomberg Global Aggregate Bond Index hedged in U.S. dollars (Bloomberg Global Agg) returned 6.0%, and the Fund returned 8.7%. Market sentiment improved dramatically, as continued progress in lowering inflation led many central banks to either cut interest rates or signal that they might soon be doing so. Reflecting this shift, long-term interest rates generally declined, credit spreads tightened, and most foreign currencies appreciated against the U.S. dollar over the course of the quarter.

Global fixed income markets performed well for the year as a whole, despite significant intra-year volatility. For example, although 10-year U.S. interest rates ended the year at 3.9%, almost unchanged versus 2022, they traded in a range of 3.3 to 5.0%. Meanwhile, global credit spreads tightened meaningfully during the year and fell toward decade lows, while the broad U.S. trade-weighted dollar[2] modestly depreciated. For 2023, the Fund returned 12.3%[3], and the Bloomberg Global Agg returned 7.2%.

Portfolio Strategy

Amidst significant changes in market valuations, we found numerous opportunities to adjust the portfolio during the year. We reduced the Fund's exposure to Credit by 5.3 percentage points during the quarter and 11.9 percentage points for 2023, with many recent trims focused on longer-maturity securities. We redeployed funds primarily into lower-coupon Agency[4] mortgage-backed securities (MBS), and increased the Fund's overall allocation to securitized products by 8.9 percentage points during the year. Agency MBS 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.

We increased the Fund's duration[5] from 4.6 to 5.4 years over the course of the year in response to the higher level of interest rates as well as our growing expectation of declining interest rates over our investment horizon. We also expanded the composition of countries contributing to the Fund's duration position by adding to government and local authority bonds from several countries, including Norway, Australia, New Zealand, and South Korea.[6]

Finally, we made several adjustments to the Fund's currency exposure, including select reductions in emerging market currencies that had outperformed, such as the Mexican peso. Conversely, we added to undervalued developed market currencies, such as the Japanese yen, Australian dollar, and Norwegian krone.

We are pleased with the Fund's performance, which benefited from the portfolio's interest rate, credit, and currency positioning. We're also excited about the Fund's relative return prospects given the opportunity to actively manage portfolio exposures. As always, we thank you for your continued confidence in Dodge & Cox.

Performance Review (Fund's Class I Shares)

Fourth Quarter

Key contributors included the Fund's:

- Exposure to U.S. and foreign interest rates, as global bond yields declined sharply during the fourth quarter;
- Exposure to Corporate bonds (46%[7]), with UniCredit, Charter Communications, and HSBC among the strongest-performing holdings;
- Exposure to several developed market currencies, including the Japanese yen, Norwegian krone, and Australian dollar; and
- Exposure to several Latin American currencies, including the Brazilian real, Mexican peso, and Colombian peso.

There were no notable detractors during the period.

2023

Key contributors included the Fund's:

- Starting yield and exposure to declining interest rates in the United States and other global markets;
- Exposure to Corporate bonds (54%[7]), with British American Tobacco, Telecom Italia, and Charter Communications among the strongest-performing holdings; and
- Exposure to local currency government bonds and government-related credits of several Latin American countries, including Brazil, Mexico, and Colombia.

Key detractors included the Fund's:

- Exposure to several currencies, including the Japanese yen and Malaysian ringgit.

Top Ten Issuers

	% of Fund
U.S. Treasury Note/Bond	9.8%
Fannie Mae	7.5%
Freddie Mac	7.5%
Japan Government	3.6%
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%

Fund Expense Ratios

	Ticker	Net	Gross
Global Bond Fund — Class I	DODLX	0.45%*	0.52%
Global Bond Fund — Class X	DOXLX	0.37%*	0.47%

* Dodge & Cox has contractually agreed to reimburse the Fund for all ordinary expenses to the extent necessary to maintain Total Annual Fund Operating Expenses of the Class I shares at 0.45% and the Class X shares at 0.37% until April 30, 2026. These agreements cannot be terminated prior to April 30, 2026 other than by resolution of the Fund's Board of Trustees. For purposes of the foregoing, ordinary expenses shall not include nonrecurring shareholder account fees, fees and expenses associated with Fund shareholder meetings, fees on portfolio transactions such as exchange fees, dividends and interest on short positions, fees and expenses of pooled investment vehicles that are held by the Fund, interest expenses and other fees and expenses related to any borrowings, taxes, brokerage fees and commissions and other costs and expenses relating to the acquisition and disposition of Fund investments, other expenditures which are capitalized in accordance with generally accepted accounting principles, and other nonroutine expenses or extraordinary expenses not incurred in the ordinary course of the Fund's business, such as litigation expenses. The term of the agreement will automatically renew for subsequent three-year terms unless terminated with at least 30 days' written notice by either party prior to the end of the then-current term. The agreement does not permit Dodge & Cox to recoup any fees waived or payments made to the Fund for a prior year.

The Fund invests in individual bonds and other securities whose yields and market values fluctuate, so that your investment may be worth more or less than its original cost. The Fund's performance could be hurt by interest rate risk, credit risk, below investment-grade securities risk, non-U.S. currency risk, sovereign and government-related debt risk, derivatives risk, liquidity risk, mortgage- and asset-backed securities risk, to-be-announced transaction risk, call risk, manager risk, market risk, geographic risk, and hybrid securities risk. The Fund invests in foreign securities which involve political, economic and currency risks, greater volatility and differences in accounting methods. These risks are greater for emerging markets. The Fund may use derivatives to create or hedge investment exposure, which may involve additional and/or greater risks than investing in securities, including more liquidity risk and the risk of a counterparty default. Some derivatives create leverage.

Before investing in any Dodge & Cox Fund, you should carefully consider the Fund's investment objectives, risks, and charges and expenses. To obtain a Fund's prospectus and summary prospectus, which contain this and other important information, or for current month-end performance figures, visit dodgeandcox.com or call 800-621-3979. Please read the prospectus and summary prospectus carefully before investing.

Dodge & Cox Funds are distributed by Foreside Fund Services, LLC, which is not affiliated with Dodge & Cox.

1. All returns are stated in U.S. dollars, unless otherwise noted. The Funds' total returns include the reinvestment of dividend and capital gain distributions, but have not been adjusted for any income taxes payable by shareholders on these distributions or on Fund share redemptions. Index returns include dividend and/or interest income but, unlike Fund returns, do not reflect fees or expenses. The Class X shares inception date is May 2, 2022. The returns shown prior to that date are for the Class I shares. Dodge & Cox Global Bond Fund, L.L.C., a private fund managed by Dodge & Cox with proprietary assets was reorganized into the Dodge & Cox Global Bond Fund on April 30, 2014. Any Fund performance information for periods prior to May 1, 2014, are those of the private fund (inception date December 5, 2012). The Bloomberg Global Aggregate Bond Index is a widely recognized, 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.
2. As measured by the Trade-Weighted U.S. Dollar Index, which measures the value of the United States dollar relative to other world currencies.
3. Return for the Global Bond Fund's Class I shares.
4. 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.
5. Duration is a measure of a bond's (or a bond portfolio's) price sensitivity to changes in interest rates.
6. The use of specific examples does not imply that they are more or less attractive investments than the Fund's other holdings.
7. Figures in this section denote Fund positioning at the beginning of the period.