Dodge & Cox®

Investment Focus

Global Bond Fund

March 31, 2023

Performance[1]

Total Returns (%)

		Average Annual Total Returns			
	3 Months	1 Year	3 Years	5 Years	Since Inception (5/1/2014)
Global Bond Fund — Class I	3.48%	0.02%	4.50%	3.02%	2.91%
Global Bond Fund — Class X	3.58%	0.08%	4.52%	3.03%	2.92%
Bloomberg Global Aggregate Bond Index (USD Hedged)	2.90%	-3.86%	-2.13%	0.95%	1.93%

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. 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 call 800-621-3973.

Market Commentary

The first quarter of 2023 was characterized by heightened bond market volatility as investors grappled with persistent inflation, stress in the banking system, and diverging expectations for policy actions. Global credit spreads increased a modest four basis points[2] (bps) over the quarter, ending at 138 bps. Intra-quarter fluctuations were large—spreads moved from 116 bps in mid-February to 154 bps in late March. Ten-year yields generally fell across both developed and emerging markets, and the U.S. broad trade-weighted dollar depreciated 1.6%.[3] The Fund returned 3.5% while the Bloomberg Global Aggregate Bond Index (USD Hedged) returned 2.9%.

Portfolio Strategy

Macro-induced volatility generally creates attractive opportunities for bottom-up, active managers. During the quarter, we made a number of adjustments in the Fund to take advantage of this environment.

Adhering to our valuation-disciplined approach, we reduced the Fund's exposure to Corporate Credit by nearly six percent early in the quarter when credit spreads were relatively low. Trims included T-Mobile US, Cemex, Oracle, and AT&T.[4] We used these opportunities to add to mortgage-backed securities and U.S. Treasuries, increasing the portfolio's credit quality while preserving significant yield. During the quarter, concerns about the Banking sector not only led to underperformance in that sector, but intensified volatility in the broader market. Importantly, the Fund did not hold any regional bank debt or contingent convertible securities, such as Additional Tier 1 bonds.[5]

We also made adjustments in the Fund's exposure to various currencies and countries in response to evolving risk/reward prospects. For example, we sold the Fund's Polish bond position and reduced holdings of Indonesian government bonds. Within Latin America, we reduced the Fund's position in the Mexican peso, given its strong performance, and we added to Brazil in response to a combination of an undervalued currency, high interest rates, and the potential for long-end yields to decline. Meanwhile, we continued to build up the Fund's exposure to developed market currencies, including the Norwegian krone and Australian dollar. Both currencies appear undervalued and have strong economic fundamentals.

In the United States, we expect relatively tight monetary conditions will persist until inflation trends turn decisively toward the Fed's 2.0% PCE[6] target. Consequently, we kept the Fund's duration[7] largely unchanged at 4.6 years. This positioning reflects continued caution regarding inflation and the potential for interest rates to remain high, balanced against the possibility that interest rates could fall in the event of a significant economic contraction.

In closing, we continue to find compelling opportunities in global fixed income markets. Interest rates, credit spreads, and the trade-weighted U.S. dollar are higher than they were a year ago, and prospective returns for global fixed income are attractive. Thank you for your continued confidence in Dodge & Cox.

Performance Review (Fund's Class I Shares)

First Quarter

Key contributors included the Fund's:

- Exposure to U.S. interest rates, as Treasury yields declined;
- Exposure to local currency government bonds in several Latin American countries, including Mexico, Colombia, and Brazil;
- High allocation to Corporate bonds (54%), with Telecom Italia, British American Tobacco, and Charter Communications among stronger-performing holdings; and,
- Exposure to interest rates in several emerging market countries, including Malaysia, South Korea, and South Africa.

Key detractors included the Fund's:

- Exposure to several developed market currencies, including the Norwegian krone, Japanese yen, and Australian dollar; and,
- Weaker-performing credits, including QVC and Millicom International Cellular.

Top Ten Issuers

Top Ten Issuers	% of Fund
U.S. Treasury Note/Bond	8.8%
Mexico Government	4.4%
Fannie Mae	4.3%
UMBS TBA	3.8%
Brazil Government	3.6%
Japan Government	3.3%
British American Tobacco PLC	2.6%
Colombia Government	2.6%
Petroleos Mexicano	2.2%
Charter Communications, Inc.	2.2%

Fund Expense Ratios

Fund Expense Ratios	Ticker	Net	Gross
Global Bond Fund — Class I	DODLX	0.45%*	0.54%
Global Bond Fund — Class X	DOXLX	0.37%**	0.49%

* 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 Dodge & Cox Global Bond Fund — Class I shares at 0.45% through April 30, 2023. The term of the agreement renews annually thereafter unless terminated with 30 days' written notice by either party prior to the end of the term. The agreement does not permit Dodge & Cox to recoup any fees waived or payments made to the Fund for a prior year.

** 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 Dodge & Cox Global Bond Fund — Class X shares at 0.37% until April 30, 2023. These agreements cannot be terminated prior to April 30, 2023 other than by resolution of the Fund's Board of Trustees. The term of the agreement renews annually unless terminated with 30 days' written notice by either party prior to the end of the term. The agreement does not permit Dodge & Cox to recoup any fees waived or payments made to the Fund for a prior year.

The information provided is not a complete analysis of every material fact concerning any market, industry or investment. Data has been obtained from sources considered reliable, but Dodge & Cox makes no representations as to the completeness or accuracy of such information. The information provided is historical and does not predict future results or profitability. This is not a recommendation to buy, sell, or hold any security and is not indicative of Dodge & Cox's current or future trading activity. Any securities identified are subject to change without notice and do not represent a Fund's entire holdings. Dodge & Cox does not guarantee the future performance of any account (including Dodge & Cox Funds) or any specific level of performance, the success of any investment decision or strategy that Dodge & Cox may use, or the success of Dodge & Cox's overall management of an account.

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. 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. One basis point is equal to 1/100th of 1%.
3. The Trade-Weighted U.S. Dollar Index is a measure of the value of the United States dollar relative to other world currencies.
4. The use of specific examples does not imply that they are more or less attractive investments than the Fund's other holdings.
5. Additional Tier 1 bonds, also referred to as contingent convertibles, are bonds issued by banks that contribute to the total level of capital they are required to hold by regulators. They are considered a relatively risky form of junior debt, generally have a higher yield, and are often bought by institutional investors.
6. 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.
7. Duration is a measure of a bond's (or a bond portfolio's) price sensitivity to changes in interest rates.