Dodge & Cox®

Investment Focus

Global Stock Fund

March 31, 2023

Performance[1]

Total Returns (%)

		Average Annual Total Returns				
	3 Months	1 Year	3 Years	5 Years	10 Years	Since Inception (5/1/2008)
Global Stock Fund — Class I	5.08%	-3.23%	22.46%	7.09%	9.05%	6.33%
Global Stock Fund — Class X	5.08%	-3.17%	22.49%	7.10%	9.05%	6.33%
MSCI ACWI Index	7.31%	-7.44%	15.36%	6.93%	8.06%	5.67%
MSCI World Index	7.73%	-7.02%	16.40%	8.01%	8.85%	6.27%

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

Global equity markets rose during the first quarter of 2023, extending the market recovery that started in the fourth quarter of 2022. The MSCI ACWI appreciated 7.3% during the quarter, as the slowing pace of interest rate hikes encouraged investors and boosted performance, despite persistent inflation, bank failures, geopolitical tensions, and recessionary concerns.

Global growth stocks[2] outperformed value stocks by 12.6 percentage points in the first quarter of 2023. Value-oriented sectors—such as Energy, Health Care, and Financials—performed the worst during the quarter, whereas the growth-oriented Information Technology, Communication Services, and Consumer Discretionary sectors performed the best within the MSCI ACWI. As a result, the valuation gap between value and growth stocks widened. The MSCI ACWI Value Index[3] now trades at 11.6 times forward earnings[4] versus 23.2 times for MSCI ACWI Growth Index.[5]

Portfolio Strategy

The Fund had a positive return in the first quarter of 2023, but underperformed the MSCI ACWI by 2.2 percentage points.[6] Two factors primarily drove this underperformance. First, the Fund's underweight in Information Technology, the best-performing sector in the MSCI ACWI, hurt relative performance. Second, the Fund's overweight in Financials, specifically within U.S. Financials, hurt relative performance. While the Fund did not own Silicon Valley Bank or Signature Bank, their failures weighed on the broader U.S. Financials sector. Against this backdrop, the Fund outperformed the MSCI ACWI Value by 3.8 percentage points.[7]

We believe volatile market environments can provide opportunities for investors with patience, discipline, and a long-term investment approach. We are actively assessing market developments and making portfolio decisions as investment opportunities or risks materialize. During the quarter, for example, we sold the Fund's remaining small position in Credit Suisse prior to its merger with UBS Group (2.2% position in the Fund) after internal discussions on Credit Suisse's loan and deposit quality, range of potential outcomes, and alternatives to other holdings.[8] In our view, UBS received favorable deal terms, including a low purchase price, downside protection from the Swiss government, unique synergies, and concentrated market share in the Swiss banking business. However, the merger also introduces new risks (e.g., increased complexity, integration challenges, litigation) that we have factored into our analysis. During the quarter, there were no new purchases in the Fund. Our largest trims by sector came from Communication Services and Consumer Discretionary.

We believe the Fund's diversified portfolio is well positioned over the long term and are encouraged by the Fund's attractive valuation of 10.2 times forward earnings, well below the MSCI ACWI at 15.6 times forward earnings. We remain confident in our approach and believe a long-term investment horizon is essential for investors to navigate challenging economic and market conditions. Thank you for your continued confidence in Dodge & Cox.

Performance Review (Fund's Class I Shares vs. MSCI ACWI)

First Quarter

Key contributors to relative results included the Fund's:

- Industrials holdings (up 18% compared to up 6% for the MSCI ACWI sector), notably General Electric and FedEx;
- Communication Services holdings—particularly Baidu and Meta Platforms—and overweight position in the sector; and,
- Health Care holdings, particularly Fresenius Medical Care and Sanofi.

Key detractors from relative results included the Fund's:

- Information Technology holdings, due to negative stock selection and an underweight position in the sector;
- Financials holdings, due to an overweight position in the sector and negative stock selection, most notably Charles Schwab, but also Fidelity National Information Services and Axis Bank; and,
- Position in Ovintiv.

Top Ten Holdings

Top Ten Holdings	% of Fund
Sanofi	3.7%
Alphabet, Inc.	3.4%
Occidental Petroleum Corp.	3.1%
GSK PLC	2.9%
Banco Santander SA	2.5%
Suncor Energy, Inc.	2.4%
VMware, Inc.	2.3%
Comcast Corp.	2.2%
Charter Communications, Inc.	2.2%
UBS Group AG	2.2%

Fund Expense Ratios

Fund Expense Ratios	Ticker	Net	Gross
Global Stock Fund — Class I	DODWX	0.62%	0.62%
Global Stock Fund — Class X	DOXWX	0.52%*	0.57%

* 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 Stock Fund — Class X at 0.52% until April 30, 2023. This agreement 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 securities and other instruments whose market values fluctuate within a wide range so your investment may be worth more or less than its original cost. International investing involves more risk than investing in the U.S. alone, including currency risk and a greater risk of political and/or economic instability; these risks are heightened in 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 MSCI ACWI (All Country World Index) Index is a broad-based, unmanaged equity market index aggregated from developed market and emerging market country indices. The MSCI World Index is a broad-based, unmanaged equity market index aggregated from developed market country indices. It covers approximately 85% of the free float-adjusted market capitalization in each country.
2. Generally, stocks that have lower valuations are considered "value" stocks, while those with higher valuations are considered "growth" stocks.
3. The MSCI ACWI Value Index captures large- and mid-cap securities exhibiting overall value style characteristics across developed market and emerging market countries. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price, and dividend yield.
4. Unless otherwise specified, all weightings and characteristics are as of March 31, 2023. Price-to-earnings (forward) ratios are calculated using 12-month forward earnings estimates from third-party sources as of the reporting period. Estimates reflect a consensus of sell-side analyst estimates, which may lag as market conditions change.
5. The MSCI ACWI Growth Index captures large- and mid-cap securities exhibiting overall growth style characteristics across developed market and emerging market countries. The growth investment style characteristics for index construction are defined using five variables: long-term forward EPS growth rate, short-term forward EPS growth rate, current internal growth rate, long-term historical EPS growth trend, and long-term historical sales per share growth trend.
6. Return for the Global Stock Fund's Class I shares.
7. For the first quarter of 2023, the MSCI ACWI Value Index had a total return of 1.24%.
8. The use of specific examples does not imply that they are more or less attractive investments than the portfolio's other holdings.