Dodge & Cox® Worldwide Funds

Global Stock Fund

30 June 2024

Performance[1]

Total Returns (%)	Unannualised Returns		Average Annual Total Returns					
	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Global Stock Fund								
USD Accumulating Class	-0.39	5.25	13.88	5.69	10.59	7.48	9.08	01/12/09
USD Distributing Class	-0.38	5.28	13.91	5.70	-	-	10.72	03/02/20
GBP Accumulating Class	-0.54	6.13	14.40	8.91	10.69	10.78	11.07	01/12/09
GBP Distributing Class	-0.52	6.15	14.44	8.92	10.71	10.79	11.51	13/02/13
GBP Distributing Class (H)	-0.53	4.96	13.05	4.40	8.92	-	7.62	03/01/17
EUR Accumulating Class	0.38	8.52	16.05	9.34	11.94	10.15	11.64	01/12/09
CAD Accumulating Class	0.64	8.67	17.62	9.22	11.57	10.21	11.71	01/10/10
MSCI ACWI Index (in USD)	2.87	11.30	19.38	5.43	10.76	8.43	9.23	01/12/09

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.

Market Commentary

After a strong first quarter of 2024, global equity markets continued to rise in the second quarter. The MSCI ACWI appreciated 2.9%, driven by NVIDIA, Apple, Alphabet, Microsoft, and Taiwan Semiconductor Manufacturing Co. Without these five stocks, the MSCI ACWI would have posted a negative return for the quarter.

Information Technology and Communication Services were the best-performing sectors during the quarter (up 11.4% and 8.1%, respectively), followed by Utilities (up 3.6%). Materials and Real Estate were the worst-performing sectors (down 3.2% and 2.9%, respectively).

Regionally, emerging markets performed the best (up 5.0%) with continued strong returns from Taiwan (up 15.1%), India (up 10.2%), and a rebound in China (up 7.1% after four quarters of declines). Japan and Europe ex-UK posted negative returns.

Since the MSCI ACWI Value Index[2] underperformed the MSCI ACWI Growth Index[3] by seven percentage points[4] in the second quarter, value stocks[5] have now trailed growth stocks for three quarters in a row. The valuation gap remains wide: the MSCI ACWI Value now trades at 13.0 times forward earnings compared to 26.2 times for the MSCI ACWI Growth.[6]

Portfolio Strategy

As active managers, we respond to changes in valuation and the market environment, applying our bottom-up research to identify attractive investment opportunities. In the second quarter, this resulted in additions to several sectors, including Industrials, Health Care, and Information Technology, and trims from sectors such as Financials, Energy, and Communication Services.

For example, we recently started a new holding in Infineon Technologies, a German semiconductor company that serves auto and industrial end markets globally.[7] Infineon's power and microcontroller chips should benefit from secular growth tailwinds in electric vehicles, advanced driver assistance systems, and renewable energy infrastructure. The company's valuation is depressed due to concerns over the ongoing industry inventory correction. We believe that after the market stabilises, Infineon's market leadership and attractive product mix will result in strong revenue and profit growth, as well as a higher valuation.

We also initiated a position in another German-based company, DHL Group, a global transportation and logistics leader that is gradually recovering from a post-pandemic slowdown. Its crown jewel, DHL Express, has experienced an extended period of volume declines while its legacy Post & Parcel business remains weak. However, over our investment horizon of three to five years, we expect volumes to stabilise and grow, which should lead to improved profitability, attractive earnings growth, and a higher valuation.

On the flip side, we trimmed several of the Fund's developed market bank holdings over the past year as their valuations expanded. During the second quarter, some of our largest trims included Standard Chartered, Barclays, Banco Santander, and Wells Fargo. We also sold the Fund's position in ICICI Bank, whose valuation had increased significantly relative to our other Indian bank holdings. Even after these trims, the Financials sector remains the Fund's main sector overweight.

We continue to be optimistic about the long-term outlook of the Fund's portfolio, which trades at 11.8 times forward earnings (versus 17.7 times for the MSCI ACWI) and remains diversified across sectors, geographies, and investment theses. Thank you for your continued confidence in Dodge & Cox.

Performance Review (USD Accumulating Class vs. MSCI ACWI)

Second Quarter

Key contributors to relative results included the Fund's:

- Stock selection in Consumer Discretionary; and
- Positions in Alnylam Pharmaceuticals, Axis Bank, Barclays, Alphabet, and HDFC Bank.

Key detractors from relative results included the Fund's:

- Underweight position in Information Technology—the best-performing sector of the market—and stock selection;
- Health Care holdings, including GSK, CVS Health, and Zimmer Biomet; and
- Positions in XP and Norfolk Southern.

Year to Date

Key contributors to relative results included the Fund's:

- Stock selection in Industrials; and
- Positions in Barclays, Coherent, and Alphabet.

Key detractors from relative results included the Fund's:

- Underweight position in Information Technology—the best-performing sector of the market;
- Health Care holdings, including CVS Health;
- Communication Services holdings, particularly Charter Communications and Comcast; and
- Positions in XP, Akzo Nobel, and Itau Unibanco.

1. All returns are stated in U.S. dollars, unless otherwise noted. The Funds' total returns include dividends and interest income and reflect the deduction of expenses charged to the Funds. Index returns include dividends but, unlike Fund returns, do not reflect fees or expenses. The Fund is actively managed and uses the benchmark index for performance comparison purposes only. 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.
2. The MSCI ACWI Value Index captures large- and mid-cap securities exhibiting overall value style characteristics across developed and emerging markets 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.
3. The MSCI ACWI Growth Index captures large- and mid-cap securities exhibiting overall value style characteristics across developed and emerging markets 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.
4. During the second quarter of 2024, the MSCI ACWI Value Index and MSCI ACWI Growth Index had total returns of -0.59% and 6.20%, respectively.
5. Generally, stocks that have lower valuations are considered "value" stocks, while those with higher valuations are considered "growth" stocks.
6. Unless otherwise specified, all weightings and characteristics are as of 30 June 2024. 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.
7. The use of specific examples does not imply that they are more or less attractive investments than the portfolio's other holdings.