Dodge & Cox®
Worldwide Funds

U.S. Stock Fund

Market Commentary

U.S. equity markets were volatile and declined in the first half of 2022, reversing their exceptional performance in 2021, when the S&P 500 Index rose 29%. Every sector of the S&P 500 posted negative returns in the first half, except for Energy, amid geopolitical tensions, higher inflation, and a shift toward less accommodative monetary policy in the United States.

Russia's invasion of Ukraine and the fallout from related sanctions have exacerbated commodity price pressures and amplified geopolitical risks. Supply chain bottlenecks and labour market shortages have further constrained supply and propelled prices higher. U.S. inflation soared to 9.1% for the year ended 30 June 2022 (as measured by the Consumer Price Index)—the largest increase in 40 years. In response, the Federal Reserve has aggressively increased interest rates and tapered its balance sheet. Investors are concerned the Fed's actions to slow the economy and temper inflation will lead to a recession. Interest rates have risen sharply—from 1.5% at the end of 2021 to 3.0% on 30 June[1]—and the yield curve has flattened. In turn, developed and emerging market equity and credit markets have weakened broadly.

Overall, the U.S. equity market valuation has declined, with the S&P 500 now at a more reasonably valued 16.1 times forward earnings.[2] The market decline was due to valuation compression as earnings growth has continued to be healthy. U.S. value stocks[3] outperformed growth stocks by 15.2 percentage points during the first half of the year.[4] While the valuation disparity between value and growth stocks has compressed, it remains wide: the Russell 1000 Value Index trades at 13.1 times forward earnings compared to 21.2 times for the Russell 1000 Growth Index.

Investment Strategy

At Dodge & Cox, we employ a disciplined investment approach across market cycles as active, value-oriented, bottom-up investors. We consistently weigh what we are buying (company fundamentals) against what we are paying (current valuation). For each potential investment, our global industry analysts develop three- to five-year projections for revenues, earnings, and cash flows, along with an assessment of the risks and opportunities, to derive a range of potential investment returns over our investment horizon. Furthermore, our team-based approach provides checks and balances, tests our conviction, and broadens our knowledge base over time. Our equity and fixed income teams collaborate, enabling us to better assess the risks and rewards of investment opportunities.

More volatile markets with compressed valuations—like the current environment—play to our firm's strengths. First, our proprietary insights and deep institutional knowledge of individual companies and industries aids our evaluation of company fundamentals relative to valuations. Second, our long-term investment horizon enables us to hold positions in companies with low valuations due to short-term challenges. We also invest in faster-growing companies when we believe long-term value is not reflected in the current price. Third, Dodge & Cox's independent ownership gives us the staying power to buy and hold out-of-favour securities through volatile periods. Fourth, we maintain our rigorous investment process across market cycles. In light of current concerns about a possible recession, we are also conducting additional stress testing of our holdings.

The Fund's holdings in the Energy sector significantly outperformed (up 54% compared to up 32% for the S&P 500 sector). We sold Halliburton and Hess, and trimmed Baker Hughes and Schlumberger as their stock prices increased.[5] Despite these actions, the Fund remains overweight Energy (8.9% compared to 4.4% for the S&P 500). With much higher oil and natural gas prices and capital spending restraint, the Fund's energy holdings have experienced strong cash flow and trade at very attractive free cash flow yields, creating the conditions for potentially higher capital return. We expect energy prices will remain high over our investment horizon, despite intensifying efforts to decarbonise the global economy and innovations in alternative energy technologies. We discuss below Occidental Petroleum, the largest holding in the Fund.

Our investment opportunity set has expanded with market volatility and the repricing of higher valuation growth stocks. Although valuations for many continue to embed unrealistic expectations for future performance, we have reviewed more companies in historically high valuation sectors and continue to find new opportunities. We initiated five new positions in the Fund in four different industries:

- Fidelity National Information Services: a diversified provider of financial technology and payment processing services to banks, merchants, and capital markets firms;
- Gaming and Leisure Properties: a REIT that owns over 50 regional casino properties in 17 U.S. states and leases them to gaming operators;
- General Electric: a global industrial conglomerate with businesses in aerospace, energy, and health care (discussed below);
- PayPal: owns leading digital payments solutions, including PayPal's checkout button (a digital wallet), Braintree (a white label payments processor), and Venmo (a peer-to-peer payments provider), with approximately 425 million annual active accounts; and,
- Zimmer Biomet: a global medical device company primarily focused on orthopaedic implants.

The diversity of opportunities is a result of our bottom-up research process driven by our global industry analysts. In addition, we also added to select Fund holdings across various industries, including Alphabet, Capital One, Charter Communications, FedEx, Meta Platforms, and Regeneron Pharmaceuticals.

Occidental Petroleum

Occidental (4.4% position), one of the largest U.S. shale producers, has a cash generative, low decline international oil and gas portfolio, as well as midstream and chemicals assets. As part of our fundamental research process, we frequently communicate with

Occidental's management team and conduct due diligence with industry participants, geopolitical experts, lenders, and financial institutions. These meetings have helped us better understand the impact of Russia's invasion of Ukraine and the global economic slowdown on oil demand, liquidity, and operations.

At only six times forward earnings, Occidental is an attractive investment opportunity in our opinion. The company has demonstrated expertise in hydrocarbon reservoir analysis, technological capabilities from global operations, and operational efficiencies. Occidental is taking a proactive approach to the energy transition via its Low Carbon Ventures business, which we believe shows promise and differentiates the company from its peer group. Building on its long-term experience in carbon capture, Occidental plans to commercialise its Direct Air Capture technology, which reduces atmospheric concentrations of carbon dioxide.

Since its acquisition of Anadarko Petroleum in 2019, Occidental has focused on executing asset sales to reduce balance sheet leverage. From August 2019 through the end of 2021, the company completed approximately $11 billion in asset sales and repaid almost $20 billion in debt. The combination of high oil prices and success in its deleveraging program enabled the company to increase its dividend and reactivate its share repurchase program this year. However, future commodity price declines could limit Occidental's ability to generate cash flow and service debt. As of 30 June, Berkshire Hathaway had built a 16.4% stake in the company, suggesting Occidental could become an acquisition target.

General Electric

Of the five new positions in the Fund, General Electric (1.5% position) was the largest. We have followed GE closely for over 30 years, holding meetings with GE's management and investor relations teams and conducting calls with competitors, industry experts, former employees, sell-side analysts, and others. We have held GE on and off since the year the Fund incepted, and most recently in 2015. Our deep institutional knowledge enabled us to respond to the price decline in the first half of 2022 and start a position, amid concerns about inflation and supply shortages.

Going forward, we believe GE will continue to benefit from a decade of corporate restructuring and balance sheet clean up. Led by CEO Larry Culp, management recently announced its intention to split into three separate companies by fiscal year 2024. We believe the split-up will provide the potential to create more value than recognised in the current conglomerate structure. Our analysis shows GE trades at over a 50% discount to its sum-of-the-parts valuation. As management reduces corporate overhead and investors gain confidence in its ability to separate the company according to plan, we believe the discount to GE's sum-of-the-parts valuation will narrow significantly.

In Closing

As a value-oriented manager, we are encouraged by the Fund's recent relative performance. Value stocks have been out of favour for a decade, and we believe they are likely to recover more over time. Moreover, the Fund's composition is very different from the overall market and trades at a meaningful discount to both the broad-based market and the value universe: 10.6 times forward earnings compared to 16.1 times for the S&P 500.

We continue to be optimistic about the long-term outlook for the Fund, which is well balanced across a range of sectors and investment themes. We believe patience, persistence, and a long-term investment horizon are essential to investment success. We encourage our shareholders to take a similar view.

Thank you for your continued confidence in our firm. As always, we welcome your comments and questions.

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

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

29 July 2022

1. These are the 10-year U.S. Treasury rates.
2. Unless otherwise specified, all weightings and characteristics are as of 30 June 2022.
3. Generally, stocks that have lower valuations are considered "value" stocks, while those with higher valuations are considered "growth" stocks.
4. The Russell 1000 Value Index had a total return of -12.87% for the first half of 2022, compared to -28.07% for the Russell 1000 Growth Index.
5. The use of specific examples does not imply that they are more or less attractive investments than the portfolio's other holdings.

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Fact Sheet

30 June 2022

Objective

- The Fund seeks long-term growth of principal and income. A secondary objective is to seek to achieve a reasonable current income.

Strategy

- The Fund invests primarily in a diversified portfolio of U.S. equity securities. In selecting investments, the Fund invests in companies that, in Dodge & Cox's opinion, appear to be temporarily undervalued by the stock market but have a favorable outlook for long-term growth. The Fund focuses on the underlying financial condition and prospects of individual companies, including future earnings, cash flow, and dividends. Various other factors, including financial strength, economic condition, competitive advantage, quality of the business franchise, and the reputation, experience, and competence of a company's management are weighed against valuation in selecting individual securities.

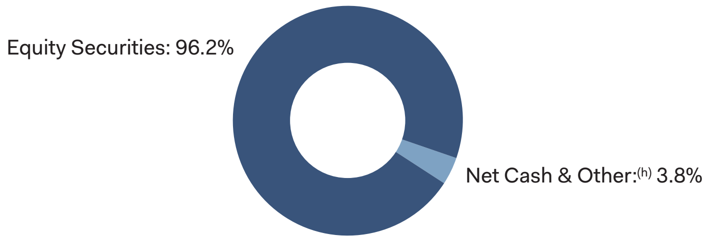
Risks

- The Fund is subject to market risk, meaning holdings in the Fund may decline in value for extended periods due to the financial prospects of individual companies or due to general market and economic conditions. Please read the prospectus for specific details regarding the Fund's risk profile.

General Information

Total Net Assets	$3,706.4 million
Fund Inception Date	1 December 2010
Portfolio Turnover (1/7/21 to 30/6/22)[a]	6%
Number of Companies	71
Minimum Investment	$50,000, £50,000, or €50,000
Base Currency	U.S. Dollar
Structure	UCITS
Domicile	Ireland

Asset Allocation



Share Classes

Share Classes	Net Asset Value Per Share	Expense Ratio[b]	Historic Yield[c]	SEDOL	ISIN	Bloomberg
USD Accumulating Class	$35.57	0.63%	—	B520HN4	IE00B520HN47	DCUSSUA
USD Distributing Class	$13.45	0.63%	0.8%	BKT5YP8	IE00BKT5YP86	DCWUSUD
GBP Accumulating Class	£45.45	0.63%	—	B50M4X1	IE00B50M4X14	DCUSSGA
GBP Distributing Class	£27.33	0.63%	0.7%	B51BJD2	IE00B51BJD26	DCUSSGD
GBP Distributing Class (H)	£14.34	0.63%	0.8%	BYVQ3J4	IE00BYVQ3J47	DCUSGDH
EUR Accumulating Class	€44.01	0.63%	—	B50MWL5	IE00B50MWL50	DCUSSEA

Portfolio Characteristics

Portfolio Characteristics	Fund	S&P 500
Median Market Capitalization (billions)	**$51**	$27
Weighted Average Market Capitalization (billions)	**$184**	$483
Price-to-Earnings Ratio[d]	**10.6x**	16.1x
Dividend Yield (trailing)[e]	**2.4%**	1.7%
Non-U.S. Securities not in the S&P 500[f]	**4.8%**	0.0%

Ten Largest Equity Holdings (%)[g]

Ten Largest Equity Holdings (%)[g]	Fund
Occidental Petroleum Corp.	**4.4**
Alphabet, Inc.	**3.9**
Charles Schwab Corp.	**3.8**
Wells Fargo & Co.	**3.7**
Cigna Corp.	**3.3**
MetLife, Inc.	**3.0**
FedEx Corp.	**2.9**
Bristol-Myers Squibb Co.	**2.8**
Capital One Financial Corp.	**2.8**
Raytheon Technologies Corp.	**2.6**

Sector Diversification (%)

Sector Diversification (%)	Fund	S&P 500
Financials	**21.4**	10.8
Health Care	**20.3**	15.1
Information Technology	**17.8**	26.8
Communication Services	**13.8**	8.9
Industrials	**9.7**	7.8
Energy	**8.9**	4.4
Consumer Discretionary	**1.8**	10.5
Consumer Staples	**1.5**	7.0
Materials	**0.7**	2.6
Real Estate	**0.3**	2.9
Utilites	**0.0**	3.1

[a] Portfolio turnover is calculated as the lesser of portfolio purchases or sales divided by the average portfolio value.

[b] Dodge & Cox has voluntarily agreed to reimburse the Fund for all ordinary expenses to the extent necessary to limit aggregate annual ordinary expenses to 0.63% of the average daily net assets of each share class. Dodge & Cox may terminate or modify this agreement upon 30 days' notice to shareholders.

[c] Historic yield reflects distributions declared over the past twelve months as a percentage of the current share price. Investors may be subject to tax on their distributions.

[d] Price-to-earnings (P/E) 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.

[e] Dividend yield is an indication of the income generated by the Fund's portfolio holdings. It represents a weighted average of the gross dividend yields for each holding.

[f] Non-U.S. securities are U.S. dollar denominated.

[g] 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.

[h] Net Cash & Other includes cash, short-term investments, unrealised gain (loss) on derivatives, receivables, and payables.

Average Annual Total Return[1]

For periods ended 30 June 2022	3 months[a]	1 Year	3 Years	5 Years	10 Years	Since Inception[b]
U.S. Stock Fund						
USD Accumulating Class	−12.90%	−8.56%	10.25%	9.11%	12.44%	11.58%
USD Distributing Class	−12.95	−8.55	N/A	N/A	N/A	14.90
GBP Accumulating Class	−6.04	3.91	11.82	10.59	15.32	13.96
GBP Distributing Class	−6.05	3.88	11.82	10.59	N/A	13.30
GBP Distributing Class (H)	−13.29	−9.42	8.42	7.23	N/A	7.61
EUR Accumulating Class	−8.08	3.45	13.29	11.00	14.57	13.65
S&P 500 Index (in USD)	−16.10	−10.62	10.60	11.31	12.96	12.79

(a) Returns for less than one year are not annualised.
(b) USD Accumulating Class, GBP Accumulating Class, and EUR Accumulating Class inception date is 1 December 2010. GBP Distributing Class inception date is 2 December 2013. GBP Distributing Class (H) inception date is 3 January 2017. USD Distributing Class inception date is 2 March 2020. The S&P 500 Index return is measured from 1 December 2010. The Fund is actively managed and uses the S&P 500 Index benchmark for performance comparison purposes only.

Returns represent past performance and do not guarantee future results. Investment return 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 dodgeandcoxworldwide.com for current month-end performance figures.

1 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. The S&P 500 Index is a market capitalisation-weighted index of 500 large capitalisation stocks commonly used to represent the U.S. equity market.

S&P 500® is a trademark of S&P Global Inc. For more information about these indices, visit dodgeandcoxworldwide.com.