Dodge & Cox®
Worldwide Funds

Global Bond Fund

MARKET COMMENTARY

In 2024, several major macroeconomic and political developments drove global fixed income markets. Notably, global economic growth was generally better than expected, inflation broadly continued to decline, and election outcomes mostly favored non-incumbent parties. As a result, interest rates generally rose, the U.S. dollar appreciated, and credit spreads tightened. The year's volatility afforded our Investment Committee plenty of opportunities to apply our bottom-up research process to adjust the Fund's positioning.

2024 was a pivotal year for U.S. monetary policy: the Federal Reserve initiated an easing cycle in September with a larger-than-usual 50 basis points cut, followed by two more 25 basis points cuts in the fourth quarter. Despite those cuts, the 10-year U.S. Treasury yield rose by 70 basis points during 2024, reflecting the possibility of higher-than-expected growth and inflation.

Most, but not all, major central banks cut interest rates during the year. The Bank of Japan, for instance, raised interest rates from -0.10% to +0.25% as inflation picked up. The prospect of monetary policy normalisation in Japan after years of negative yields triggered a sharp, but fleeting, appreciation of the Japanese yen in the third quarter. Meanwhile, the Central Bank of Brazil reduced interest rates from 11.75% to 10.50% in the first half of the year, but then reversed course and hiked the policy rate to 12.25% as inflation rebounded and the currency plummeted on fiscal concerns.

Ten-year government bond yields rose across major developed markets, with one of the largest movements occurring in the United States. Long-term emerging market yields also generally increased but country-specific developments drove significant variability. For example, yields rose in Brazil and Colombia but declined in South Africa and South Korea.

The relative strength of the U.S. economy (which has kept U.S. interest rates elevated versus peers) and the potential for broad and sizable tariffs led to a strong rally in the U.S. dollar. The Fed's broad Trade-Weighted U.S. Dollar Index strengthened by 9% during the year, its largest increase since 2015.[1] Much of this move occurred in the fourth quarter following the U.S. election. Almost no major currency was immune from this shift, with only a handful of currencies, including the Malaysian ringgit and Thai baht, managing to strengthen year-over-year against the U.S. dollar.

The Credit sector was a bright spot in global fixed income. For a second year in a row, investment-grade and high-yield credit spreads performed well, ending the year at close to their tightest levels since before the global financial crisis. Solid economic growth, reasonable credit fundamentals, and inflows into fixed income helped support spreads. Long duration and lower-quality credit outperformed, particularly during the fourth quarter.

INVESTMENT STRATEGY

The Fund seeks to generate attractive risk-adjusted returns by investing across global credit, currency, and interest rate markets. We evaluate each investment through the lens of a three- to five-year investment horizon and regularly adjust the Fund's positioning in response to changes in fundamentals and market pricing. During 2024, our active bottom-up investment process led us to reduce the Fund's Credit sector weighting by 13 percentage points to a historical low of 35% and lengthen duration by 0.7 years to a historical high of 6.2 years.[2] We also adjusted the exposures within the Fund's 23% allocation to non-U.S. currencies.

Credit: Ongoing Strength

As credit spreads marched toward post-global financial crisis lows, we exercised valuation discipline, trimming credit exposures where we no longer believed pricing provided adequate compensation relative to issuers' fundamentals. Starting from a Credit sector weight of 58% at the end of 2022, we reduced the Fund's credit exposure to 48% in 2023, and to 35% at the end of 2024. Over this period, we also increased the defensiveness of the Fund's credit holdings by shortening their average duration and reducing exposure to below investment-grade credits. We believe the Fund's carefully curated credit holdings contribute durable yield to the portfolio and should perform well across a range of scenarios.

Nearly half of the Fund's reduction in credit exposure was drawn from the Banking sector, where strong fundamentals and attractive starting valuations led bank spreads to outperform in 2024. This strong performance contrasted with 2023, a period in which we opportunistically added to banks, while the sector underperformed due to the U.S. regional bank crisis and the failure of Credit Suisse. Despite the large reductions this year, we have confidence in the Fund's remaining bank holdings, which constitute the Fund's largest Credit sector exposure.

Despite the generally tight spread environment, we identified new credit investment opportunities over the course of the year. In the fourth quarter, for example, we initiated a position in subordinated bonds issued by CVS Health, a leading health care services company.[3] While the company has faced a variety of challenges, we believe the recently appointed CEO is focused on improving operations, the company's diversification and low cyclicality help mitigate downside risk, and the 7% new issue yield was attractive compared to other similar-risk securities. Our investment team is well-versed in analysing these subordinated (also known as hybrid) securities; the Fund holds approximately 8% in similarly structured securities across eight non-financial issuers.

We primarily redeployed the proceeds of our credit trims into high-quality securitised products, which we view as having an attractive risk/return profile. The generally high liquidity of the Fund's 26% allocation to securitised products provides flexibility to shift the Fund back into attractively priced credits, or other higher-risk sectors, during future periods of volatility.

Rates: Twisting and Turning

The combination of generally higher long-term interest rates around the globe, coupled with significant intra-year volatility, created ample opportunities to adjust the Fund's interest rate exposures. In total, we lengthened the Fund's duration from 5.5 to 6.2 years.

We were particularly active in adding U.S. duration, which constituted the largest component of both our duration extension and the Fund's portfolio duration at year end. We added U.S.-dollar duration early in the year to take advantage of market fears about re-accelerating inflation, trimmed in the third quarter when labour market weakness led to a decline in yields, and extended again following the U.S. election, when yields rose on expectations of strong growth and increased fiscal concerns. We believe the Fund's exposure to U.S. interest rates can produce attractive returns in the coming years if yields decline, as we expect, and could also serve as a hedge against a recession or other downside risks.

Meanwhile, we adjusted several of the Fund's interest rate positions outside the United States in places where we expect yields to decline relative to market expectations. Within developed markets, for example, we added duration in the Eurozone and New Zealand, two regions facing weaker growth and inflation outlooks than the United States. In fact, New Zealand has entered recession territory with economic contractions in both the second and third quarters of the year.

We actively adjusted the Fund's emerging market duration as well. We modestly extended duration in Brazil, for example, where 10-year yields rose nearly 500 basis points to 15% during the year on the back of rising fiscal risks. While the path to yield normalisation may be bumpy, we remain focused on the long-term outlook and find these double-digit yields to be attractive relative to inflation in the 4-5% area. We also extended duration in Chile, Colombia, and Peru. In contrast, we reduced duration in South Africa and South Korea, where long-term yields declined during 2024 due to a market-friendly election outcome and subdued growth/inflation, respectively.

Currency: A Challenging Year

The Fund's non-U.S. currency weighting—approximately 23% of the portfolio—was essentially unchanged year-over-year and remains near its highest level since 2015. In our view, the U.S. dollar was broadly overvalued coming into 2024 and its valuation appears even more stretched following the year's rally. From this elevated level, we believe the U.S. dollar is likely to depreciate over our multi-year investment horizon. However, we also acknowledge a growing possibility of a stronger-for-longer U.S. dollar as the U.S. economy has continued to perform well, the Trump administration may impose tariffs on trading partners, and geopolitical risks remain considerable. In weighing these factors, we kept the aggregate foreign currency exposure stable but made a number of adjustments to the mix of holdings.

In Latin America, we shifted the portfolio toward currencies where we believe the risk/reward proposition has improved on a relative basis. Notably, we added to the Chilean peso, Brazilian real, and Colombian peso. All three currencies weakened versus the U.S. dollar by more than 10% in 2024 and, in the cases of Brazil and Colombia, offer double-digit yields against low single-digit inflation. We believe all three currencies are undervalued versus the U.S. dollar and could perform well over our investment horizon.

Conversely, we trimmed the Mexican peso and Peruvian sol. We lowered the Fund's exposure to the peso in the first quarter when it was near multi-year highs versus the U.S. dollar, as we found the risk/return profile to be less attractive than previously and elections in Mexico and the United States were approaching. These concerns about the peso proved well founded, as the peso ended up being one of the worst-performing major currencies of the year versus the U.S. dollar.

Within Asia, our largest change was reducing the Malaysian ringgit—one of the only major currencies to strengthen against the U.S. dollar in 2024—during the fourth quarter. While we continue to be optimistic about Malaysia's economy over the long term, owing to its diversified export sector and ability to attract foreign direct investment, it also faces headwinds from its economic ties to China and potential headwinds from U.S. tariffs.

IN CLOSING

We believe the Fund's carefully selected mix of credit, interest rate, and currency exposures positions it well for the coming years. We remain optimistic about the return prospects for global fixed income due to attractive starting yields and an expensive U.S. dollar. As always, we thank you for your continued confidence in Dodge & Cox.

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

Dana M. Emery,

Chair and Chief Executive Officer, Dodge & Cox

31 January 2025

1. All returns are stated in U.S. dollars, unless otherwise noted.
2. Unless otherwise specified, all weightings and characteristics are as of 31 December 2024.
3. The use of specific examples does not imply that they are more or less attractive investments than the portfolio's other holdings.

See Disclosures for a full list of financial terms and Index definitions.

Dodge & Cox®
Worldwide Funds

Global Bond Fund

31 December 2024

Established in 1930, Dodge & Cox is one of the largest independently owned investment firms in the world. We manage money using a single value-oriented investment philosophy across a focused set of strategies.

Fund Inception
1 May 2014

Diversified Portfolio

Seeks Above-Average Yield to Maturity[2]

Countries Represented[3]
24

Details

Total Net Assets (millions)	$652.0
Distribution Frequency	Quarterly
Portfolio Turnover[6] (01/01/2024 to 31/12/2024)	45%
Base Currency	U.S. Dollar
Structure	UCITS
Domicile	Ireland

Benchmark

Bloomberg Global Aggregate Bond Index (USD Hedged) - BBG Global Agg (H)

Risk Metrics (5 Years)

Standard Deviation[9,10]	8.75
Sharpe Ratio[9,11]	0.06

Investment Committee

Managed by the Global Fixed Income Investment Committee, whose members' average tenure at Dodge & Cox is 21 years.

Investment Objective

The Global Bond Fund seeks a high rate of total return consistent with long-term preservation of capital.

Investment Approach[1]

The Fund offers investors a highly selective, actively managed fund that complements core bond holdings by providing a diversified portfolio of carefully researched investments across global credit, currency, and interest rate markets over a long-term horizon. Generally, we:

- Invest with a total return mindset across a global investment universe that includes government and government-related obligations, mortgage- and asset-backed securities, corporate and municipal bonds, and other debt securities, from both developed and emerging markets.
- Build a diversified portfolio across several dimensions, including sector, country, currency and economic exposure.
- Select individual securities based on fundamental research and consider a variety of factors, including yield, credit quality, liquidity, covenants, call risk, duration, structure, and capital appreciation potential, as well as financially material environmental, social, and governance (ESG) issues.
- May employ various currency, interest rate, and credit-related derivatives, including forwards, futures, and swaps.

Share Classes

	Minimum Investment	Expense Ratio[4]	Distribution Yield[5]	SEDOL	ISIN	Bloomberg
USD Accumulating Class	$50,000	0.45%	-	B5568D6	IE00B5568D66	DCGBDUA
GBP Distributing Class	£50,000	0.45%	4.6%	B556C01	IE00B556C015	DCGBDGI
GBP Distributing Class (H)	£50,000	0.45%	4.6%	BLG2YK4	IE00BLG2YK48	DCGBGIH
EUR Accumulating Class	€50,000	0.45%	-	B51Q8R4	IE00B51Q8R41	DCGBDEA
EUR Accumulating Class (H)	€50,000	0.45%	-	BLG30W1	IE00BLG30W12	DCGBEAH
EUR Distributing Class	€50,000	0.45%	4.6%	BLG2YF9	IE00BLG2YF94	DCGBDEI
EUR Distributing Class (H)	€50,000	0.45%	4.6%	BLG2YG0	IE00BLG2YG02	DCGBEIH
CHF Distributing Class (H)	CHF50,000	0.45%	4.6%	BN6JJ48	IE00BN6JJ480	DOPGBHC

Performance[7,8]

Total Returns (%)	Unannualised Returns		Average Annual Total Returns					
	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Global Bond Fund								
USD Accumulating Class	-4.98	0.59	0.59	1.03	2.62	3.33	2.88	01/05/14
GBP Distributing Class	1.44	2.39	2.39	3.68	3.76	5.62	5.80	01/05/14
GBP Distributing Class (H)	-4.98	0.21	0.21	0.29	1.82	2.40	2.02	01/05/14
EUR Accumulating Class	2.08	7.22	7.22	4.28	4.26	4.95	5.73	01/05/14
EUR Accumulating Class (H)	-5.24	-0.97	-0.97	-1.02	0.79	1.43	1.08	01/05/14
EUR Distributing Class	2.07	7.16	7.16	4.28	4.26	4.95	5.74	01/05/14
EUR Distributing Class (H)	-5.46	-1.27	-1.27	-1.09	0.74	1.40	1.06	01/05/14
CHF Distributing Class (H)	-6.01	-3.77	-3.77	-2.77	-	-	-2.75	01/07/21
BBG Global Agg (H, in USD)	-0.95	3.40	3.40	-0.55	0.48	2.01	2.32	01/05/14

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.

Dana Emery
Chair and CEO (41 yrs at Dodge & Cox)

Jim Dignan
Fixed Income Analyst (25 yrs)

Lucy Johns
Director of Fixed Income (22 yrs)

Adam Rubinson
Fixed Income Analyst (22 yrs)

Matt Schefer
Fixed Income Analyst (16 yrs)

Mimi Yang
Fixed Income Analyst (10 yrs)

Jose Ursua
Fixed Income Analyst (9 yrs)

Portfolio Breakdown (% of Fund)

Sectors[12]

Government	36.1
Government-Related	7.2
Securitised	26.2
Corporate	28.1
Net Cash & Other[13]	2.4

Credit Quality[12,14]

AAA	7.1
AA	40.4
A	11.5
BBB	21.2
BB	14.0
B	3.4
CCC and Below	-
Not Rated	-
Net Cash & Other[13]	2.4

Five Largest Countries[3,12]

United States	52.7
United Kingdom	6.4
Mexico	5.0
Brazil	4.3
Japan	3.8

Five Largest Currencies (Net)[15]

U.S. Dollar	76.6
Japanese Yen	3.8
Brazilian Real	3.7
Norwegian Krone	2.4
Euro	2.0

Ten Largest Issuers (% of Fund)[16]

	Fund
U.S. Treasury Note/Bond	13.5
Fannie Mae	13.5
Freddie Mac	10.7
Japan Government	3.8
Brazil Government	3.7
Norway Government	2.8
Colombia Government	2.6
Mexico Government	2.4
TC Energy Corp.	2.3
Petroleos Mexicanos	2.1

Portfolio Characteristics

	Fund
Yield to Worst[17]	5.8%
Effective Duration (years)[18]	6.2
Effective Maturity (years)	14.1
Number of Credit Issuers	46
Emerging Markets[3]	21.6%
Non-USD Currency Exposure[15]	23.4%

Risks

The yields and market values of the instruments in which the Fund invests may fluctuate. Accordingly, your investment may be worth more or less than its original cost. Debt securities are subject to interest rate risk, credit risk, and prepayment and call risk, all of which could have adverse effects on the value of the Fund. Investments in certain countries, particularly underdeveloped or developing countries, may be subject to heightened political and economic risks. The Fund's use of derivatives involves risks different from, and possibly greater than, the risks associated with investing directly in securities and other more traditional investments. Please read the prospectus for specific details regarding the Fund's risk profile.

1 Please see the Fund's Sustainable Finance Disclosures Regulation SFDR Disclosure available at dodgeandcox.com
2 Based on yield to maturity, which is the total rate of return anticipated for a bond if it is held to maturity, assuming all interest payments are made on schedule and the original principal amount is repaid.
3 The Fund may classify a company or issuer in a different category than the Index. The Fund usually classifies a company or issuer based on its country of risk, but may designate a different country in certain circumstances.
4 Dodge & Cox has voluntarily agreed to reimburse the Fund for all ordinary expenses to the extent necessary to limit aggregate annual ordinary expenses to 0.45% of the average daily net assets of each share class. Dodge & Cox may terminate or modify this agreement upon 30 days' notice to shareholders.
5 Distribution yield reflects the amounts that may be expected to be distributed over the next 12 months as a percentage of the current share price. The distribution yield is the same as the underlying yield. Investors may be subject to tax on their distributions.
6 Portfolio Turnover is calculated as the lesser of the portfolio purchases or sales divided by the average portfolio value for the period.
7 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.
8 The Fund is actively managed and uses the benchmark index for performance comparison purposes only.
9 The data represents the USD Accumulating Share Class.
10 Standard Deviation measures the volatility of the Fund's returns. Higher Standard Deviation represents higher volatility.
11 Sharpe Ratio is a risk-adjusted measure that calculates excess performance with respect to the risk-free rate per unit of volatility over the time frame.
12 Excludes currency and interest rate derivatives.
13 Net Cash & Other includes cash, short-term investments, unrealised gain (loss) on derivatives, receivables, and payables.
14 The credit quality distribution shown for the Fund is based on the middle of Moody's, S&P, and Fitch ratings, which is the methodology used by Bloomberg in constructing its indices. A rating of AAA is the highest possible credit rating, while a rating in the C's or D's is the lowest. If a security is rated by only two agencies, the lower of the two ratings is used. Please note the Fund applies the highest of Moody's, S&P, and Fitch ratings to determine compliance with the quality requirements stated in its prospectus. On that basis, the Fund held 12.3% in securities rated below investment grade. For consistency purposes, we use the S&P and Fitch rating categories. The credit quality of the investments in the portfolio does not apply to the stability or safety of the Fund or its shares.
15 Currency exposure reflects the value of the portfolio's investments based on the currencies in which they are issued, as well as the impact of any currency derivatives.
16 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.
17 Yield to Worst is a measure of the lowest possible yield that can be received on a bond that fully operates within the terms of its contract without defaulting.
18 Effective Duration is a measure of a portfolio's interest rate sensitivity, including the impact of derivatives used to adjust duration.

Figures represented by a dash are zero or have no associated data while figures represented by a zero may be rounded to zero.
Market values for debt securities include accrued interest.
The Bloomberg Global Aggregate Bond Index is a widely recognised, 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.

This information should not be considered a solicitation or an offer to purchase shares of Dodge & Cox Worldwide Funds plc or a solicitation or an offer by Dodge & Cox Worldwide Investments Ltd. and its affiliates to provide any services in any jurisdiction. A summary of investor rights is available in English at dodgeandcox.com. Dodge & Cox Worldwide Funds plc are currently registered for distribution in Austria, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, South Africa, Spain, Sweden, Switzerland, and the United Kingdom. The Funds may terminate the arrangements made for the marketing of any fund or share class in an EU Member State at any time by using the process contained in Article 93a of the UCITS Directive.
This is an advertising document. First Independent Fund Services AG, Klausstrasse 33, CH-8008 Zurich, is the representative in Switzerland and NPB Neue Privat Bank AG, Limmatquai 122, CH-8024 Zurich, is the paying agent in Switzerland. The sales prospectus, key investor information, copies of the articles of association and the annual and semi-annual reports of the fund can be obtained free of charge from the representative in Switzerland.

Marketing Communication. The views expressed herein represent the opinions of Dodge & Cox Worldwide Investments and its affiliates and are not intended as a forecast or guarantee of future results for any product or service. To obtain more information about the Funds, before making any final investment decisions, please refer to the Funds' prospectus and applicable key information document at dodgeandcox.com, or call +353 1 242 5411.