

**Objectives**

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

**Strategy**

- The Fund invests in bonds and other debt instruments of issuers from at least three different countries, including emerging market countries. The Fund invests in both U.S. dollar-denominated and non-U.S.-currency-denominated debt instruments, including, but not limited to, government and government-related obligations, mortgage- and asset-backed securities, corporate and municipal bonds, and other debt securities.
- The proportions of the Fund's assets held in various debt instruments will be revised in light of Dodge & Cox's appraisal of the global economy, the relative yields of securities in the various market sectors and countries, the potential for a currency's appreciation, the investment prospects for issuers, the countries' domestic and political conditions, and other factors. In selecting securities, Dodge & Cox considers many factors, including, without limitation, yield, structure, covenants, credit quality, liquidity, call risk, duration, and capital appreciation potential.
- The Fund may enter into currency or interest rate-related derivatives, including forwards, futures, swaps, and options.

**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. Investing in non-U.S. securities may entail risk due to foreign economic and political developments; this risk may be higher when investing in emerging markets. 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.

**GENERAL INFORMATION**

Net Asset Value Per Share	\$10.72
Total Net Assets (millions)	\$215.4
Net Expense Ratio <sup>(a)</sup>	0.45%
Gross Expense Ratio (1/1/18 to 6/30/18, annualized)	0.96%
Portfolio Turnover Rate (1/1/18 to 6/30/18, unannualized)	21%
30-Day SEC Yield (using net expenses) <sup>(a)(b)</sup>	4.62%
30-Day SEC Yield (using gross expenses)	4.11%
Number of Credit Issuers	51
Fund Inception	May 1, 2014

No sales charges or distribution fees

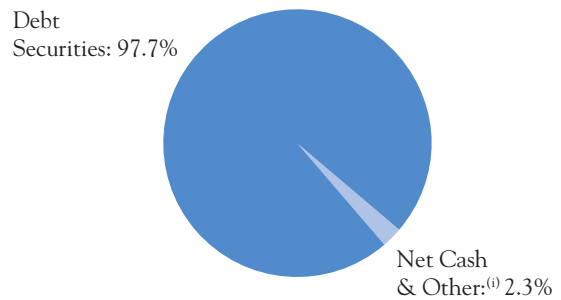
**Investment Manager:** Dodge & Cox, San Francisco. Managed by the Global Fixed Income Investment Committee, whose six members' average tenure at Dodge & Cox is 20 years.

<b>PORTFOLIO CHARACTERISTICS</b>	<b>Fund</b>	<b>BBG Barclays Global Agg</b>
Effective Duration (years) <sup>(c)</sup>	3.7	7.0
Emerging Markets <sup>(d)</sup>	28.2%	5.4%
Non-USD Currency Exposure <sup>(e)</sup>	15.8%	55.1%

<b>FIVE LARGEST CREDIT ISSUERS (%)<sup>(f)</sup></b>	<b>Fund</b>
Telecom Italia SPA	2.1
AT&T, Inc.	2.0
Kinder Morgan, Inc.	2.0
TransCanada Corp.	2.0
Charter Communications, Inc.	1.9

<b>CREDIT QUALITY (%)<sup>(g)(h)</sup></b>	<b>Fund</b>	<b>BBG Barclays Global Agg</b>
Aaa	24.0	40.0
Aa	2.5	16.2
A	12.5	28.4
Baa	44.2	15.4
Ba	12.0	0.0
B	2.5	0.0
Caa	0.0	0.0
Net Cash & Other <sup>(i)</sup>	2.3	0.0

**ASSET ALLOCATION**



<b>SECTOR DIVERSIFICATION (%)<sup>(h)</sup></b>	<b>Fund</b>	<b>BBG Barclays Global Agg</b>
Government	24.2	53.7
Government-Related	5.7	12.0
Securitized	21.2	15.2
Corporate	46.6	19.1
Net Cash & Other <sup>(i)</sup>	2.3	0.0

<b>REGION DIVERSIFICATION (%)<sup>(d)(h)</sup></b>	<b>Fund</b>	<b>BBG Barclays Global Agg</b>
United States	52.1	39.0
Latin America	18.5	1.1
Europe (excluding United Kingdom)	10.5	26.1
Pacific (excluding Japan)	6.2	5.6
United Kingdom	6.2	5.3
Africa	2.2	0.0 <sup>(i)</sup>
Canada	2.0	3.4
Japan	0.0	16.6
Middle East	0.0	0.6
Other	0.0	2.3

<sup>(a)</sup> Dodge & Cox has contractually agreed to reimburse the Fund for all ordinary expenses to the extent necessary to maintain total annual fund operating expenses at 0.45% through April 30, 2019. 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.

<sup>(b)</sup> SEC Yield is an annualization of the Fund's net investment income for the trailing 30-day period. Dividends paid by the Fund may be higher or lower than implied by the SEC Yield.

<sup>(c)</sup> Interest rate derivatives reduce total Fund duration by 2.1 years (i.e., total Fund duration is 5.8 years without derivatives).

<sup>(d)</sup> The Fund may classify an issuer in a different category than the Bloomberg Barclays Global Aggregate Bond Index. The Fund generally classifies a corporate issuer based on the country of incorporation of the parent company, but may designate a different country in certain circumstances.

<sup>(e)</sup> Non-USD currency exposure for the Fund reflects the value of the portfolio's non-U.S. dollar denominated investments, as well as the impact of currency derivatives.

<sup>(f)</sup> 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.

<sup>(g)</sup> The credit quality distributions shown for the Fund and the Index are based on the middle of Moody's, S&P, and Fitch ratings, which is the methodology used by Bloomberg in constructing its indices. 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 comply with the quality requirements stated in its prospectus. On that basis, the Fund held 8.8% in securities rated below investment grade. The credit quality of the investments in the portfolio does not apply to the stability or safety of the Fund or its shares.

<sup>(h)</sup> Region, sector, and quality weights exclude the effect of the Fund's derivative contracts.

<sup>(i)</sup> Net Cash & Other includes cash, short-term investments, derivatives, receivables, and payables.

<sup>(j)</sup> Rounds to 0.0%.

## Average Annual Total Return<sup>1</sup>

For periods ended September 30, 2018	1 Year	3 Years	5 Years	Since Inception (December 5, 2012)
Dodge & Cox Global Bond Fund	-0.23%	5.31%	2.58%	2.35%
Bloomberg Barclays Global Agg Index	-1.32	1.98	0.75	0.14

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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. Visit the Fund's website at [dodgeandcox.com](http://dodgeandcox.com) or call 800-621-3979 for current month-end performance figures.

The Global Bond Fund had a total return of 1.2% for the third quarter of 2018, compared to -0.9% for the Bloomberg Barclays Global Aggregate Bond Index (Bloomberg Barclays Global Agg). For the nine months ended September 30, 2018, the Fund had a total return of -0.7%, compared to -2.4% for the Bloomberg Barclays Global Agg.

### INVESTMENT COMMENTARY

Global growth was less synchronized in the third quarter than in recent history, as the U.S. expansion continued but economic data in other major markets, such as Europe and China, was less rosy. Trade war fears loomed over the markets and several emerging market countries faced political and/or economic headwinds. These divergences drove U.S.-dollar appreciation against most currencies, particularly those of emerging markets with high external financing needs. While rising interest rates and depreciating currencies were headwinds for global bond investors, credit generally performed well. Credit yield premiums<sup>2</sup> fell during the quarter, more than reversing their move wider in the second quarter. The Fund's significant holdings of credit securities drove positive performance in this challenging currency and interest rate environment.

In the United States, economic activity continued to expand at a strong pace above 3%, bolstered by pro-cyclical fiscal expansion. The labor market remained strong with the unemployment rate falling to 3.9% and wages growing at their fastest pace since 2009, even as core CPI inflation remained steady near 2.2% year over year. Noting a "particularly bright moment" for the U.S. economy, in September, Federal Reserve (Fed) Chair Jerome Powell announced the third 25 basis point<sup>3</sup> rate hike of the year, in line with market expectations, and dropped the descriptor "accommodative" from the Fed's characterization of its monetary policy. That outlook drove ten-year rates 20 basis points higher, to 3.06%. We believe rates will continue to rise incrementally, and consequently we maintain a defensive duration<sup>4</sup> positioning (3.7 years at quarter end) to protect against potential price declines associated with these moves.

In Europe, uncertainty around Brexit lingered, manufacturing growth in Germany slowed to a two-year low, and worries about Italian fiscal and debt dynamics grew. Italian ten-year bond yields rose by almost 50 basis points. In Asia, Chinese investment and consumption slowed and U.S.-China trade tensions reached new heights, prompting more fiscal and monetary easing by policymakers. The Chinese yuan has depreciated 8.6% against the U.S. dollar over the past two quarters, a notable move for the managed currency.

The most dramatic moves of the quarter were in emerging markets, particularly Argentina and Turkey. Both economies have vulnerabilities related to their large current account deficits and high inflation, and their currencies depreciated significantly. While the two countries represent a small fraction of the global economy, their challenges weakened sentiment regarding emerging markets more broadly and triggered fears of contagion risk. However, we think a domino effect across emerging market countries is unlikely because many of them have better fundamentals and stronger buffers than during past market cycles. On September 30, the Fund held 28.2% in emerging market bonds, including small allocations to Argentina and Turkey, where we believe recent price declines have resulted in valuations that adequately compensate us for the risks and provide significant long-term opportunities.

Overall, we remain optimistic about the long-term prospects for the Fund and continue to find opportunities across global credit, rates, and currency markets. Thank you for your continued confidence in Dodge & Cox.

### THIRD QUARTER PERFORMANCE REVIEW

The Fund returned 1.2% during the quarter.

#### KEY CONTRIBUTORS

■ The largest contributor to performance was the Fund's large allocation to corporate bonds (47%<sup>5</sup>), which generated positive returns as yield premiums declined. Notable outperformers include Kinder Morgan, Twenty-First Century Fox, and Verizon.

■ The Fund's large exposure to the Mexican peso (6.7%) added to returns as the currency appreciated 6.4% versus the U.S. dollar.

#### KEY DETRACTORS

■ The Fund's exposure to several emerging market currencies detracted from returns, including the Indian rupee, Argentine peso, Turkish lira, and Indonesian rupiah, which all depreciated versus the U.S. dollar.  
■ The Fund's duration detracted moderately from performance as rising interest rates hurt returns in a number of global markets, including the United States, Mexico, and Turkey.

#### YEAR-TO-DATE PERFORMANCE REVIEW

The Fund returned -0.7% year to date.

#### KEY DETRACTORS

■ Duration detracted from performance as rising interest rates hurt returns in a number of global markets, including the United States, Indonesia, and Turkey.  
■ The Fund's exposure to several emerging market currencies detracted from returns, including the Indian rupee, Argentine peso, Indonesian rupiah, and Turkish lira.  
■ Certain credit holdings detracted from performance, especially the Province of Buenos Aires and Telecom Italia.

#### KEY CONTRIBUTORS

■ The Fund's large exposure to the Mexican peso (5.9%) added to returns as the currency appreciated 5.0% versus the U.S. dollar.  
■ The Fund's large allocation to credit securities contributed positively, led by strong performance from Bank of America trust preferred securities, after redemption by the issuer at a premium to the market price, and also from Kinder Morgan, Rio Oil Finance Trust, Twenty-First Century Fox, and Verizon.  
■ The Fund benefited from its exposure to interest rates in Colombia and Peru.

<sup>1</sup> The Fund's 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 interest income but, unlike Fund returns, do not reflect fees or expenses. The Bloomberg Barclays Global Aggregate Bond Index is a widely recognized, unmanaged index of multi-currency, investment-grade debt securities. All returns are stated in U.S. dollars, unless otherwise noted. A private fund managed and funded by Dodge & Cox (the "Private Fund") was reorganized into the Fund and the Fund commenced operations on May 1, 2014. The Private Fund commenced operations on December 5, 2012, and had an investment objective, policies, and strategies that were, in all material respects, the same as those of the Fund, and was managed in a manner that, in all material respects, complied with the investment guidelines and restrictions of the Fund. However, the Private Fund was not registered as an investment company under the Investment Company Act of 1940 (the "1940 Act"), and therefore was not subject to certain investment limitations, diversification requirements, liquidity requirements, and other restrictions imposed by the 1940 Act and the Internal Revenue Code, which, if applicable, may have adversely affected its performance. Expense reimbursements have been in effect for the Fund since its inception. Without the expense reimbursements, returns for the Fund would have been lower.

<sup>2</sup> Yield premiums are one way to measure a security's valuation. Narrowing yield premiums result in a higher valuation. Widening yield premiums result in a lower valuation.

<sup>3</sup> One basis point is equal to 1/100th of 1%.

<sup>4</sup> Duration is a measure of a bond's (or a bond portfolio's) price sensitivity to changes in interest rates.

<sup>5</sup> Unless otherwise noted, figures cited in this section denote positioning at the beginning of the period.

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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, visit [dodgeandcox.com](http://dodgeandcox.com) or call 800-621-3979. Please read the prospectus and summary prospectus carefully before investing.