



# DODGE & COX® WORLDWIDE FUNDS PLC

An umbrella fund with segregated liability between sub-funds

# Annual Report

For the year ended 31 December 2018

- Dodge & Cox Worldwide Funds plc—
  - Global Stock Fund
  - International Stock Fund (ceased trading on 6 December 2018)
  - U.S. Stock Fund
  - Global Bond Fund

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This annual report may be translated into other languages. Any such translation shall be a direct translation of the English text. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in the translation, the English text will prevail. Any disputes as to the terms thereof shall be governed by, and construed in accordance with, the law of Ireland.

BACKGROUND TO THE COMPANY

Dodge & Cox Worldwide Funds plc (the “Company”) was incorporated in Ireland on 25 September 2009 as a public limited company and is operating under the Companies Act 2014, as amended (the “Companies Act”). Unless otherwise provided for in this report, all capitalised terms shall have the same meaning herein as in the prospectus of the Company dated 1 September 2017 (the “Prospectus”).

The Company is an open-ended investment company with variable capital and is authorised and regulated by the Central Bank of Ireland (the “Central Bank”) under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended (the “UCITS Regulations”). The Company is organised in the form of an umbrella fund with segregated liability between sub-funds and currently has four constituent sub-funds (each a “Fund” and collectively the “Funds”), namely:

FUND NAME AND ACTIVE SHARE CLASSES*	COMMENCEMENT OF OPERATIONS
Dodge & Cox Worldwide Funds plc – Global Stock Fund (“Global Stock Fund”)	
USD Accumulating Class	1 December 2009
GBP Accumulating Class	1 December 2009
GBP Distributing Class	13 February 2013
GBP Distributing Class (H)**	3 January 2017
EUR Accumulating Class	1 December 2009
CAD Accumulating Class	1 October 2010
Dodge & Cox Worldwide Funds plc – International Stock Fund (“International Stock Fund”)*	
USD Accumulating Class	10 September 2010
EUR Accumulating Class	1 March 2011
Dodge & Cox Worldwide Funds plc – U.S. Stock Fund (“U.S. Stock Fund”)	
USD Accumulating Class	1 December 2010
GBP Accumulating Class	1 December 2010
GBP Distributing Class	2 December 2013
GBP Distributing Class (H)**	3 January 2017
EUR Accumulating Class	1 December 2010
Dodge & Cox Worldwide Funds plc – Global Bond Fund (“Global Bond Fund”)	
USD Accumulating Class	1 May 2014
GBP Distributing Class	1 May 2014
GBP Distributing Class (H)**	1 May 2014
EUR Accumulating Class	1 May 2014
EUR Accumulating Class (H)**	1 May 2014
EUR Distributing Class	1 May 2014
EUR Distributing Class (H)**	1 May 2014

\* With effect from 6 December 2018, all outstanding shares of the International Stock Fund were compulsorily redeemed and the Fund ceased trading.

\*\* “(H)” denotes hedged share class

INVESTMENT OBJECTIVES AND POLICIES

The Company provides investors with a choice of Funds. Each Fund aims to achieve its investment objective, as set out below, while spreading investment risks through investment in transferable securities, liquid financial assets, and other permitted investments in accordance with the UCITS Regulations.

Global Stock Fund

The Fund’s objective is to provide shareholders with an opportunity for long-term growth of principal and income. The Fund seeks to achieve its objective by investing primarily in a diversified portfolio of equity securities issued by companies from at least three different countries located anywhere in the world, which may include Emerging Market Countries.

International Stock Fund

The Fund’s objective was to provide shareholders with an opportunity for long-term growth of principal and income. The Fund sought to achieve its objective by investing primarily in a diversified portfolio of equity securities issued by non-U.S. companies from at least three different non-U.S. countries located anywhere in the world, which may have included Emerging Market Countries. With effect from 6 December 2018, all outstanding shares of the International Stock Fund were compulsorily redeemed and the Fund ceased trading.

U.S. Stock Fund

The Fund’s primary objective is to provide shareholders with an opportunity for long-term growth of principal and income. A secondary objective is to seek to achieve a reasonable current income. The Fund seeks to achieve its objective by investing primarily in a diversified portfolio of U.S. equity securities.

Global Bond Fund

The Fund’s objective is to provide shareholders with a high rate of total return, consistent with long-term preservation of capital. The Fund seeks to achieve its objective by investing in a diversified portfolio of bonds and other debt instruments of issuers from at least three different countries located anywhere in the world, which may include Emerging Markets Countries.

Full details of the investment objectives and policies of the Global Stock Fund, International Stock Fund, U.S. Stock Fund, and Global Bond Fund are set out in the Prospectus.

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## DIRECTORS' REPORT

The directors of the Company (the “Directors”, together the “Board of Directors”) present herewith their report together with the audited financial statements for the year ended 31 December 2018.

### DIRECTORS

The name and nationality of persons who were Directors during the year ended 31 December 2018 are:

Donal Byrne (Irish) (independent)<sup>1</sup>  
Éilish Finan (Irish) (independent)<sup>2</sup>  
Christophe Orly (French)<sup>1</sup>  
Carl O'Sullivan (Irish) (independent)<sup>2</sup>  
Rosemary Quinlan (Irish) (independent)  
Diana Strandberg (American)  
William Strickland (American)  
Steven Voorhis (American)

<sup>1</sup> Donal Byrne resigned as a director of the Company with effect from 15 November 2018. Christophe Orly resigned as a director of the Company with effect from 10 January 2019.

<sup>2</sup> Éilish Finan was appointed as a director of the Company with effect from 15 November 2018. Carl O'Sullivan was appointed as a director of the Company with effect from 16 November 2018.

### DIRECTORS' AND SECRETARY'S INTERESTS IN SHARES

At 31 December 2018, the following Director held shares (all USD Accumulating Class Shares) in the Funds: Diana Strandberg held 500,000 (2017: 500,000) shares in the Global Stock Fund and 309,587 (2017: 697,018) shares in the U.S. Stock Fund. The secretary had no interest in the shares of the Funds.

### DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the directors' report and the financial statements in accordance with applicable Irish law.

Irish company law requires the Directors to prepare the financial statements for each financial year that give a true and fair view of the Company's assets, liabilities and financial position as at the end of the financial year and the profit or loss and cash flows of the Company for the financial year. The Directors have prepared the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union.

Under Irish company law, the Directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the Company's assets, liabilities and financial position as at the end of the financial year and the profit or loss and cash flows of the Company for the financial year.

In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for ensuring that adequate accounting records are kept that are sufficient to:

- correctly record and explain the transactions of the Company;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy; and
- enable the Directors to ensure that the financial statements comply with the requirements of the Companies Act and enable those financial statements to be audited.

To achieve this, the Directors have appointed an experienced administrator, State Street Fund Services (Ireland) Limited (the “Administrator”), to maintain the accounting records of the Company and perform additional administrative duties.

The Directors are also responsible for safeguarding the assets of the Company. In fulfillment of this responsibility, they have appointed State Street Custodial Services (Ireland) Limited (the “Depositary”) to safekeep the Company's assets in accordance with the constitution of the Company (the “Constitution”). In addition, the Directors are responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the financial statements included on the Company's website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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## DIRECTORS' REPORT

### DIRECTORS' COMPLIANCE STATEMENT

It is the policy of the Company to comply with its relevant obligations (as defined in the Companies Act). As required by Section 225(2) of the Companies Act, the Directors acknowledge that they are responsible for securing the Company's compliance with the relevant obligations. The Directors have drawn up a compliance policy statement as defined in Section 225(3)(a) of the Companies Act and a compliance policy which refers to the arrangements and structures that are in place and which are, in the Directors' opinion, designed to secure material compliance with the Company's relevant obligations. These arrangements and structures were reviewed by the Directors during the financial year. In discharging their responsibilities under Section 225, the Directors relied upon, among other things, the services provided, advice and/or representations from third parties whom the Directors believe have the requisite knowledge and experience in order to secure material compliance with the Company's relevant obligations.

### CORPORATE GOVERNANCE CODE

The Board of Directors assessed all measures included in the Irish Funds voluntary Corporate Governance Code for Collective Investment Schemes and Management Companies published in December 2011 (the "Code"). The Board of Directors has adopted all corporate governance practices and procedures in the Code, which can be obtained at: <http://www.irishfunds.ie>.

### AUDIT COMMITTEE

The Board of Directors decided it was not necessary to constitute an audit committee given the frequency of the meetings of the Board of Directors throughout the year and the size of the Board of Directors.

### RELEVANT AUDIT INFORMATION

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware and the Directors have taken all the steps that ought to have been taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### RISKS

An analysis of principal risks facing the Company is included in Note 13 to the financial statements.

### REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

A review of each Fund's performance can be found in the Investment Manager's Report. The International Stock Fund is not included as the Fund ceased trading on 6 December 2018.

### RESULTS AND DISTRIBUTIONS

The results of operations and distributions for the year are set out in the Statement of Comprehensive Income, and the Company's distribution policy is set forth in Note 14 to the financial statements.

### SIGNIFICANT EVENTS SINCE YEAR END

The details of any significant events affecting the Company since the year end are set forth in Note 16 to the financial statements.

### ACCOUNTING RECORDS

To ensure that adequate accounting records are kept, the Directors have employed the Administrator to serve as administrator, registrar, and transfer agent to the Company. The accounting records are located at the offices of the Administrator at 78 Sir John Rogerson's Quay, Dublin 2, Ireland.

### INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the annual general meeting.

### TRANSACTIONS WITH CONNECTED PERSONS

Regulation 41(1) of the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015, as amended (the "Central Bank UCITS Regulations") states that "a responsible person shall ensure that any transaction between a UCITS and a connected person is (a) conducted at arm's length; and (b) in the best interests of the unit-holders of the UCITS".

As required under Regulation 78(4) of the Central Bank UCITS Regulations, the Board of Directors is satisfied that (a) there are in place arrangements, evidenced by written procedures, to ensure that the obligations that are prescribed by Regulation 41(1) are applied to all transactions with connected persons; and (b) all transactions with connected persons that were entered into during the year complied with the obligations that are prescribed by Regulation 41(1).

On behalf of the Board of Directors

/s/ William Strickland

/s/ Rosemary Quinlan

28 March 2019

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## INDEPENDENT AUDITORS' REPORT

To the members of Dodge & Cox Worldwide Funds plc

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

In our opinion, Dodge & Cox Worldwide Funds plc's financial statements:

- give a true and fair view of the Company's and Funds' assets, liabilities and financial position as at 31 December 2018 and of their results and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended).

We have audited the financial statements, included within the Annual Report, which comprise:

- the Statements of Financial Position as at 31 December 2018;
- the Statements of Comprehensive Income for the year then ended;
- the Statement of Cash Flows for the year then ended;
- the Statement of Changes in Net Assets Attributable to Redeemable Shareholders for the year then ended;
- the Portfolio of Investments for each of the Funds as at 31 December 2018; and
- the notes to the financial statements for the Company and for each of its Funds, which include a description of the significant accounting policies.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)") and applicable law.

Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's and Funds' ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's and Funds' ability to continue as going concerns.

#### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the Companies Act 2014 have been included.



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## INDEPENDENT AUDITORS' REPORT

To the members of Dodge & Cox Worldwide Funds plc

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (Ireland) and the Companies Act 2014 require us to also report certain opinions and matters as described below:

- In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.
- Based on our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

### Responsibilities for the financial statements and the audit

#### *Responsibilities of the directors for the financial statements*

As explained more fully in the Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's and Funds' ability to continue as going concerns, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at: [https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf).

This description forms part of our auditors' report.

#### *Use of this report*

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### OTHER REQUIRED REPORTING

#### **Companies Act 2014 opinions on other matters**

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.

#### **Companies Act 2014 exception reporting**

##### *Directors' remuneration and transactions*

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

Jonathan O'Connell  
for and on behalf of PricewaterhouseCoopers  
Chartered Accountants and Statutory Audit Firm  
Dublin  
28 March 2019

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## DEPOSITARY REPORT

We have enquired into the conduct of Dodge & Cox Worldwide Funds plc (the “Company”), for the year from 1 January 2018 to 31 December 2018, in our capacity as Depositary to the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company as a body, in accordance with Regulation 34, (1), (3) and (4) in Part 5 of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended (the “UCITS Regulations”), and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

### RESPONSIBILITIES OF THE DEPOSITARY

Our duties and responsibilities are outlined in Regulation 34, (1), (3) and (4) in Part 5 of the UCITS Regulations. One of those duties is to enquire into the conduct of the Company in each annual accounting period and report thereon to the shareholders.

Our report shall state whether, in our opinion, the Company has been managed in that period in accordance with the provisions of the Company’s constitution (the “Constitution”) and the UCITS Regulations. It is the overall responsibility of the Company to comply with these provisions. If the Company has not so complied, we, as Depositary, must state why this is the case and outline the steps which we have taken to rectify the situation.

### BASIS OF DEPOSITARY OPINION

The Depositary conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in Regulation 34, (1), (3) and (4) in Part 5 of the UCITS Regulations and to ensure that, in all material respects, the Company has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of the Constitution and the UCITS Regulations and (ii) otherwise in accordance with the Constitution and the UCITS Regulations.

### OPINION

In our opinion, the Company has been managed during the year, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Constitution, the UCITS Regulations and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015, as amended (the “Central Bank UCITS Regulations”); and
- (ii) otherwise in accordance with the provisions of the Constitution, the UCITS Regulations and the Central Bank UCITS Regulations.

State Street Custodial Services (Ireland) Limited  
78 Sir John Rogerson’s Quay  
Dublin 2  
Ireland  
28 March 2019



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## INVESTMENT MANAGER'S REPORT

### GLOBAL STOCK FUND

#### MARKET COMMENTARY

In 2018, global markets were weighed down by concerns about trade wars, rising interest rates, slowing economic growth, and political uncertainty. Pessimism and market volatility mounted, especially during the fourth quarter. As a result, nearly every asset class—stocks, bonds, and commodities—posted negative returns for the year. Outside the United States, the MSCI EAFE Index<sup>(a)</sup> declined 14%<sup>(b)</sup>, the MSCI Emerging Markets Index declined 15%, and most other markets suffered double-digit percentage losses in 2018.

In the United States, the S&P 500 Index experienced two divergent periods of performance. During the first nine months of 2018, U.S. equities posted strong returns: the S&P 500 was up 11% and reached an all-time high in late September. U.S. growth stocks (the higher valuation portion of the equity market) outperformed value stocks (the lower valuation portion) by 13 percentage points<sup>(c)</sup>, continuing a longer-term trend. From 2014 through 30 September 2018, growth outperformed value by 39 percentage points<sup>(d)</sup>, fuelled by growth-oriented companies in sectors and industries associated with technology—most notably the “FAANG” stocks (Facebook, Amazon, Apple, Netflix, Google). Starting in October, there was a significant market correction, especially among technology stocks. Companies in more value-oriented sectors, including Health Care and Utilities, outperformed. Overall, the S&P 500 declined 14% during the quarter, ending the year down 4%.

#### INVESTMENT STRATEGY: WHAT'S PRICED INTO VALUATIONS?

The forward price-to-earnings ratio for the MSCI World was 13.5 times at year end<sup>(e)</sup>, 21% lower than it was at the start of 2018. Valuations are currently attractive; for example, the MSCI EAFE trades at 11.9 times forward earnings. Since 1970, the MSCI EAFE has traded at lower valuations only 25% of the time, including during the global financial crisis (2007-08) and the European sovereign debt crisis (2009-12), both periods of severe economic stress. Put another way, this valuation starting point already incorporates significant pessimism about the future. When we look at fundamentals, however, many of the companies in the Fund are generating attractive levels of earnings and cash flows, returning capital to shareholders through dividends and buybacks, and strengthening their balance sheets. In other words, many companies are more resilient than they were in previous periods of economic stress.

No one ever knows exactly how the future is going to unfold. Although fear and uncertainty dominate the headlines, our decades of experience have taught us to focus on valuations of individual companies relative to their fundamentals, rather than try to predict near-term market movements. We believe this ultimately serves our investors better in the long run. It is important to look at what is already priced into company valuations and revisit the underlying fundamentals and staying power behind each investment. As we have done in previous periods of volatility, we have added to areas where we see particularly attractive opportunities, such as in European and UK Financials, as well as in Energy.

#### European and UK Financials

In 2018, the Financials sector was the worst-performing sector of the MSCI World (down 17%) and a major detractor from the Fund's performance. Financials comprised 30% of the Fund at year end, with 80% invested in companies in developed markets and 20% in emerging markets. The Fund's emerging market bank holdings outperformed the overall market, with strong returns from Itau Unibanco<sup>(f)</sup> and ICICI Bank, both up 5%. In contrast, the Fund's 10 European and UK Financials holdings underperformed, down an average 30%.

Over the past few years, European and UK banks and insurance companies have faced many challenges, including slow growth, low interest rates, increasing capital requirements, and political uncertainty. When we discussed these holdings at the half-year mark, our enthusiasm was based on the combination of improving fundamentals and low valuations. Managements were cutting costs and restructuring businesses to increase returns. At that time, the Fund's holdings traded at an average forward price-to-earnings ratio of nine times, low by historic standards. Since then, valuations have declined further, and several companies are now close to 10-year valuation lows—levels that were last seen during the European sovereign debt crisis.

We build the portfolio on a company-by-company basis, and we continue to revisit and retest each investment on its individual merits. Based on this work, we believe the Fund's European Financials investments represent some of the best long-term opportunities available in the market today. As a result, we started a new position in Societe Generale (one of the largest banks in Europe) based on its stable and profitable core French and Czech retail banking businesses, upside optionality from future cost savings, and the resolution of its legacy legal issues. The company has a compelling valuation—0.4 times book value and six times forward earnings—with an attractive 8% dividend yield. We also recently added to several holdings, including BNP Paribas (a French-domiciled, pan-European retail and investment bank), UBS (the world's largest private bank and wealth manager, based in Switzerland), and UniCredit (Italy's largest bank).

#### UBS Group

At eight times forward earnings, UBS trades at its lowest valuation since the European debt crisis, while the company is in a much stronger financial position. It successfully restructured the investment banking division and boosted capital levels. All of its businesses generate a healthy return on equity, and the wealth management business appears well positioned to grow, especially in Asia. Looking forward, we believe the company will be able to return more capital to shareholders through dividends and buybacks. In addition, the CEO has been buying meaningful amounts of shares personally, further aligning management's interests with those of shareholders. Based on these factors, we added to the Fund's position, which stood at 2.1% at year end.

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**INVESTMENT MANAGER’S REPORT**  
**GLOBAL STOCK FUND**

**Energy**

During the fourth quarter, Brent crude oil prices dropped 35%, weighing heavily on the outlook for energy-related companies, and Energy was the worst-performing sector (down 24%) within the S&P 500. While the short-term direction of oil prices is difficult to forecast, we believe slower supply growth and increasing demand point to higher prices over our investment horizon. Weighing valuation against individual company fundamentals, we added to Apache, Baker Hughes (a GE Company), and Occidental Petroleum, among other Energy holdings.

*Occidental Petroleum*

A multinational oil and gas company based in the United States, Occidental Petroleum’s stock price declined 24% in the fourth quarter along with the broader Energy sector, due to concerns about the macro environment and oil supply. While the company faces political risks in Oman and the United Arab Emirates, we believe investors overreacted in the short term, given Occidental’s solid long-term underlying business fundamentals. Occidental is considered a partner of choice for many companies and countries due to its technological capabilities, experience managing reservoirs, and global reach. The company has an attractive growth profile and low-cost assets in the Permian Basin and the Middle East. Given low operating costs and modest maintenance capital expenditures, these businesses are profitable across a broad range of oil prices. Occidental’s proven management team has created a strong corporate culture with a focus on returns, steady growth, and consistent dividends. In addition, the company has a strong balance sheet, an attractive valuation at 14 times forward earnings, and a 5% dividend yield. On 31 December, Occidental was a 1.3% position in the Fund.

**IN CLOSING**

We are enthusiastic about the long-term outlook for the portfolio. Many of the companies in the Fund are trading at very low valuations. Relative to the range of potential outcomes, we believe that the overall risk/reward profile for these companies is quite attractive. Our investment approach requires persistence and patience as share prices and currencies can be volatile in the short term. Hence, we encourage shareholders to remain focused on the long term.

Thank you for your continued confidence in Dodge & Cox. As always, we welcome your comments and questions.

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



Charles F. Pohl,  
Chairman and  
Chief Investment Officer, Dodge & Cox



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

31 January 2019

<sup>(a)</sup> The MSCI EAFE (Europe, Australasia, Far East) Index is a broad-based, unmanaged equity market index aggregated from 21 developed market country indices, excluding the United States and Canada.

<sup>(b)</sup> All returns are stated in U.S. dollars unless otherwise noted.

<sup>(c)</sup> The Russell 1000 Growth Index had a total return of 17.1% compared to 3.9% for the Russell 1000 Value Index from 31 December 2017 through 30 September 2018.

<sup>(d)</sup> The Russell 1000 Growth Index had a total return of 72.5% compared to 33.2% for the Russell 1000 Value Index from 31 December 2014 through 30 September 2018.

<sup>(e)</sup> Unless otherwise specified, all weightings and characteristics are as of 31 December 2018.

<sup>(f)</sup> The use of specific examples does not imply that they are more or less attractive investments than the portfolio’s other holdings.

INVESTMENT MANAGER’S REPORT  
GLOBAL STOCK FUND

AVERAGE ANNUAL TOTAL RETURN				
For periods ended 31 December 2018	1 Year %	3 Years %	5 Years %	Since Inception % <sup>1</sup>
Global Stock Fund				
USD Accumulating Class	−12.98	7.27	3.77	7.43
GBP Accumulating Class	−7.82	12.60	9.34	10.49
GBP Distributing Class	−7.83	12.61	9.35	11.02
GBP Distributing Class (H)	−14.84	n/a	n/a	1.06
EUR Accumulating Class	−8.89	5.39	7.62	10.67
CAD Accumulating Class	−5.51	6.88	9.16	11.58
MSCI World Index (USD)	−8.71	6.30	4.56	7.75
<sup>1</sup> USD Accumulating Class, GBP Accumulating Class, and EUR Accumulating Class inception date is 1 December 2009. GBP Distributing Class inception date is 13 February 2013. GBP Distributing Class (H) inception date is 3 January 2017. CAD Accumulating Class inception date is 1 October 2010. The MSCI World Index return is measured from 1 December 2009. <i>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. Visit the Fund's website at <a href="http://dodgeandcoxworldwide.com">dodgeandcoxworldwide.com</a> for current month-end performance figures.</i> <i>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 MSCI World Index is a broad-based, unmanaged equity market index aggregated from 23 developed market country indices, including the United States and Canada. MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used as a basis for other indices or any securities or financial products. This report is not approved, reviewed or produced by MSCI. MSCI World is a service mark of MSCI Barra.</i>				

2018 PERFORMANCE REVIEW
The USD Accumulating Class underperformed the MSCI World by 4.3 percentage points in 2018.
<b>Key Detractors from Relative Results</b>
<ul style="list-style-type: none"><li>▪ Weaker returns from holdings in the Financials sector (down 19% compared to down 17% for the MSCI World sector), combined with an average overweight position (28% versus 17%), hurt results. Societe Generale (down 40%) and UniCredit (down 39%) detracted from returns.</li><li>▪ In the Communication Services sector, the Fund's holdings (down 16% compared to down 8% for the MSCI World sector) performed poorly, especially Liberty Global (down 39%).</li><li>▪ Additional detractors included Magnit (down 51%) and JD.com (down 49%).</li></ul>
<b>Key Contributors to Relative Results</b>
<ul style="list-style-type: none"><li>▪ Strong returns in the Health Care sector (up 5% compared to up 2% for the MSCI World sector), combined with a higher average weighting (20% versus 12%), had a positive impact. Eli Lilly (up 40%), Express Scripts (up 24% to date of acquisition by Cigna), and GlaxoSmithKline (up 12%) were strong performers.</li><li>▪ Relative returns in the Materials sector (down 15% compared to down 17% for the MSCI World sector) contributed to results.</li><li>▪ Additional contributors included Dell Technologies (up 39%), Itau Unibanco (up 5%), and ICICI Bank (up 5%).</li></ul>

**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. Additional risks may arise due to economic and political developments in the countries and regions where portfolio companies operate; these risks may be increased when investing in emerging markets. The Fund is also subject to currency risk. Please read the prospectus and key investor information documents for specific details regarding the Fund’s risk profile.

ADDITIONAL REPORTING
For further review of the Fund’s performance and long-term investment strategy, please visit <a href="http://dodgeandcoxworldwide.com">dodgeandcoxworldwide.com</a> .

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## INVESTMENT MANAGER'S REPORT

### U.S. STOCK FUND

#### MARKET COMMENTARY

In 2018, global equity markets were volatile and posted significant losses. Although returns were negative, the United States outperformed most other equity markets—the S&P 500 Index was down 4% compared to a decline of nearly 14%<sup>(a)</sup> for the MSCI EAFE Index<sup>(b)</sup>. Over the course of the year, the S&P 500 experienced two divergent periods of performance.

During the first nine months of 2018, U.S. equities posted strong returns: the S&P 500 was up 11% and reached an all-time high in late September. U.S. growth stocks (the higher valuation portion of the equity market) outperformed value stocks (the lower valuation portion) by 13 percentage points, continuing a longer-term trend<sup>(c)</sup>. From 2014 through 30 September 2018, growth outperformed value by 39 percentage points<sup>(d)</sup>, fuelled by growth-oriented companies in sectors and industries associated with technology—most notably the “FAANG” stocks (Facebook, Amazon, Apple, Netflix, Google). Over this period, the Fund performed strongly compared to the U.S. value investment universe; however, the Fund’s value-oriented approach hindered its relative returns versus the broad-based S&P 500.

Starting in October, volatility spiked as investors became worried about the pace of U.S. interest rate increases, a weakening global economy, and rising geopolitical concerns, including the escalating trade conflict between the United States and China. Brexit-related uncertainty and Italy’s political turmoil also weighed on multinational companies. There was a significant correction in the fourth quarter, especially among technology stocks. Companies in more value-oriented sectors, including Health Care and Utilities, outperformed. Overall, the S&P 500 declined 14% during the quarter.

#### INVESTMENT STRATEGY

Market volatility can create buying opportunities for patient, long-term, value-oriented investors like Dodge & Cox. As bottom-up investors, we pay close attention to macro factors, but our research process places more emphasis on individual company fundamentals relative to valuation. We view this approach as a more reliable factor in determining long-term investment merit.

In 2018, we made gradual portfolio adjustments based on relative valuation changes. For example, as valuations increased, we trimmed selected Information Technology and Health Care holdings that had performed strongly. The Fund’s largest sale was Merck, a leading pharmaceutical company held in the Fund since 2010. While the company has a strong management team, we decided to sell Merck given its higher valuation and our concerns about Merck’s dependence on its blockbuster cancer drug Keytruda for future sales growth. In addition, we believe the company is entering a period of heavy, sustained investment as it manages through a product cycle, which could pressure profit margins.

Nevertheless, the Fund remained overweight the Health Care sector (19.4% compared to 15.5% for the S&P 500)<sup>(e)</sup>. We are enthusiastic about the Fund’s Pharmaceuticals holdings because valuations are attractive and new drug approvals demonstrate improving research productivity. Moreover, the substantial cash flows at these companies are not sensitive to economic swings and their healthy dividends provide a solid, stable source of return. We believe Health Care is a more attractive, defensive alternative to Consumer Staples, where valuations are higher but growth prospects are lower.

Additionally, as a result of individual security selection, we increased the Fund’s Energy exposure from 8.0% to 8.5% during 2018—a significant add given the S&P 500 Energy sector was down 18%. We also increased the portfolio’s exposure to select Industrials companies as valuations declined. For example, we initiated a position in United Technologies<sup>(f)</sup> (highlighted below) and added to the Fund’s existing holdings in FedEx and Johnson Controls International.

#### Energy

During the fourth quarter, Brent crude oil prices dropped 35%, weighing heavily on the outlook for energy-related companies, and Energy was the worst-performing sector (down 24%) within the S&P 500. While the short-term direction of oil prices is difficult to forecast, we believe slower supply growth and increasing demand point to higher prices over our investment horizon. Weighing valuation against individual company fundamentals, we recently added to the Fund’s positions in Occidental Petroleum and Halliburton, among others.

#### *Occidental Petroleum*

A multinational oil and gas company, Occidental Petroleum’s stock price declined 24% in the fourth quarter along with the broader Energy sector, due to concerns about the macro environment and oil supply. While the company faces political risks in Oman and the United Arab Emirates, we believe investors overreacted in the short term, given Occidental’s solid long-term underlying business fundamentals. Occidental is considered a partner of choice for many companies and countries due to its technological capabilities, experience managing reservoirs, and global reach. The company has an attractive growth profile and low-cost assets in the Permian Basin and the Middle East. Given low operating costs and modest maintenance capital expenditures, these businesses are profitable across a broad range of oil prices. Occidental’s proven management team has created a strong corporate culture with a focus on returns, steady growth, and consistent dividends. In addition, the company has a strong balance sheet, an attractive valuation at 14 times forward earnings, and a 5% dividend yield. On 31 December, Occidental comprised 1.7% of the Fund.

#### *Halliburton*

Halliburton is the second-largest diversified oil services company after Schlumberger. Of the “big four” diversified oil services companies, Halliburton has the largest and strongest position in the North American market, primarily due to its leading

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## INVESTMENT MANAGER'S REPORT

### U.S. STOCK FUND

pressure pumping (hydraulic fracturing) business. In 2018, investors became concerned that insufficient pipeline capacity to transport oil out of the Permian Basin may negatively impact North American pressure pumping activity. Infrastructure in the Permian has failed to keep pace with production growth, causing Permian-produced barrels to trade at a steep discount and exploration and production companies to scale back activity until new capacity comes online. As a result, oil services companies with large exposure to North America, like Halliburton, sold off in the first half of 2018. These concerns depressed Halliburton's valuation and presented an attractive long-term buying opportunity, given the company's strong franchise.

Although North American services activity has rebounded meaningfully since early 2016, our analysis suggests further investment will be needed for North America to maintain and grow oil production. With competitive advantages due to its scale and superior execution, we expect Halliburton to grow operating profits in North America over the next three to five years. Halliburton's international business is much better positioned than in previous cycles. Over the past several years, the company invested in key product lines, expanded its international presence, and built deeper relationships with national oil companies. These investments are paying off—Halliburton has outpaced Schlumberger, the leading international service company, on international growth in most quarters since 2015. We believe Halliburton can continue gaining share as international markets recover. In addition, management has renewed its focus on returning capital to shareholders. Thus, we initiated a position in Halliburton during the third quarter and added further in December as oil prices fell. At year end, Halliburton accounted for 0.8% of the Fund's net assets.

#### United Technologies

United Technologies is a multi-industry conglomerate comprised of world-class franchises in elevators/escalators (Otis), jet engines and aerospace supply (Pratt and Whitney), HVAC<sup>(g)</sup> (Carrier), fire/security, and refrigeration. United Technologies' aerospace margins have been under pressure as Boeing and Airbus moved into the aftermarket, squeezing their supply base. Despite this risk, we believe the company is an attractive long-term investment opportunity at 14 times forward earnings. United Technologies has premier global franchises with attractive long-term growth potential and a high degree of visibility based on its substantial backlog (over seven years) of aerospace contracts. United Technologies recently acquired Rockwell Collins, making the combined company the largest global aerospace supplier. The launch of its new jet engine platform should drive earnings growth in the years ahead. Meanwhile, United Technologies has announced plans to split into three companies, which could create substantial shareholder value; we estimate each of its world-class franchises trades 15 to 20% below "pure-play" peers. United Technologies was a 1.4% position on 31 December.

#### IN CLOSING

Despite the market turmoil, we remain optimistic about the long-term prospects for the Fund's investments. The portfolio's valuation is attractive and trades at a meaningful discount to the overall market: 12.2 times forward earnings compared to 15.4 times for the S&P 500. We also believe longer-term global economic growth will be better than many investors expect, and the Fund is well positioned to capitalise on this.

Our fundamental, active, value-oriented investment approach requires conviction and patience. Accordingly, maintaining a long-term investment horizon and staying the course are essential. We thank you for your continued confidence in Dodge & Cox. As always, we welcome your comments and questions.

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



Charles F. Pohl,  
Chairman and  
Chief Investment Officer, Dodge & Cox



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

31 January 2019

<sup>(a)</sup> All returns are stated in U.S. dollars unless otherwise noted.

<sup>(b)</sup> The MSCI EAFE (Europe, Australasia, Far East) Index is a broad-based, unmanaged equity market index aggregated from 21 developed market country indices, excluding the United States and Canada.

<sup>(c)</sup> The Russell 1000 Growth Index had a total return of 17.1% compared to 3.9% for the Russell 1000 Value Index from 31 December 2017 through 30 September 2018.

<sup>(d)</sup> The Russell 1000 Growth Index had a total return of 72.5% compared to 33.2% for the Russell 1000 Value Index from 31 December 2014 through 30 September 2018.

<sup>(e)</sup> Unless otherwise specified, all weightings and characteristics are as of 31 December 2018.

<sup>(f)</sup> The use of specific examples does not imply that they are more or less attractive investments than the portfolio's other holdings.

<sup>(g)</sup> HVAC = heating, ventilation, and air conditioning.



INVESTMENT MANAGER’S REPORT  
U.S. STOCK FUND

AVERAGE ANNUAL TOTAL RETURN				
For periods ended 31 December 2018	1 Year %	3 Years %	5 Years %	Since Inception % <sup>1</sup>
U.S. Stock Fund				
USD Accumulating Class	−7.68	9.82	6.94	11.18
GBP Accumulating Class	−2.18	15.27	12.69	13.96
GBP Distributing Class	−2.21	15.27	12.69	12.82
GBP Distributing Class (H)	−9.42	n/a	n/a	2.62
EUR Accumulating Class	−3.34	7.87	10.90	12.89
S&P 500 Index (USD)	−4.38	9.26	8.49	12.09
<sup>1</sup> 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. The S&P 500 Index return is measured from 1 December 2010. 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. Visit the Fund’s website at <a href="http://dodgeandcoxworldwide.com">dodgeandcoxworldwide.com</a> for current month-end performance figures. 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.				

2018 PERFORMANCE REVIEW
The USD Accumulating Class underperformed the S&P 500 by 3.3 percentage points in 2018.
<b>Key Detractors from Relative Results</b>
<ul style="list-style-type: none"><li>▪ The Fund’s average overweight position (27% versus 14%) and weak returns from holdings in the Financials sector (down 17% compared to down 13% for the S&amp;P 500 sector) hampered results. Goldman Sachs (down 34%), Capital One Financial (down 23%), and Wells Fargo (down 22%) were key detractors.</li><li>▪ The Energy sector was the worst-performing segment of the Fund (holdings down 26%) and the S&amp;P 500 (down 18%). The Fund’s higher average weighting in the sector (9% versus 6%) also hurt results. Schlumberger (down 45%), Apache (down 36%), and Baker Hughes, a GE Company (down 30%) were notable.</li><li>▪ Within the reconstituted Consumer Discretionary sector (down 7% compared to up 2% for the S&amp;P 500 sector), not owning Amazon (up 28%) was the main drag on relative performance. Holdings Mattel (down 35%) and Harley-Davidson (down 31%) lagged.</li><li>▪ Other detractors included DISH Network (down 48%), Micro Focus International (down 46%), FedEx (down 35%), and Charter Communications (down 15%).</li></ul>
<b>Key Contributors to Relative Results</b>
<ul style="list-style-type: none"><li>▪ In Health Care, the Fund’s average overweight position (21% versus 15% for the S&amp;P 500) and holdings (up 10% compared to up 6% for the S&amp;P 500 sector) had a significant, positive impact. Eli Lilly (up 40%), Express Scripts (up 24% to date of acquisition by Cigna), AstraZeneca (up 14%), and GlaxoSmithKline (up 14%) performed well.</li><li>▪ The Fund’s significant underweight position (average less than 1% versus 7%) in the Consumer Staples sector, which lagged the overall Index (down 9% for the S&amp;P 500 sector), helped results.</li><li>▪ Standout performers included Twenty-First Century Fox (up 41% owing to a bidding war for most of the company) and Dell Technologies (up 39%).</li><li>▪ Not owning certain large companies held in the S&amp;P 500, including General Electric (down 55%) and Facebook (down 26%), also contributed.</li></ul>

**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. Additional risks may arise due to economic and political developments in the countries and regions where portfolio companies operate. Please read the prospectus and key investor information documents for specific details regarding the Fund’s risk profile.

ADDITIONAL REPORTING
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## INVESTMENT MANAGER'S REPORT

### GLOBAL BOND FUND

#### MARKET COMMENTARY

While 2018 began with a surge of optimism around strong, “synchronised” global growth, the year proved to be a challenging one for economic momentum and risk assets, including corporate bonds and many emerging market currencies. Economic divergence was instead the theme of the year. Fiscal stimulus boosted the U.S. economy, while a deceleration in other major economies was exacerbated by trade and political tensions. The Bloomberg Barclays Global Aggregate Bond Index returned  $-1.2\%$ <sup>(a)</sup> in 2018, driven mostly by widening credit spreads and the depreciation of the euro versus the U.S. dollar.

The United States reported strong economic data throughout 2018, leading the Federal Reserve (Fed) to hike its benchmark interest rate four times. Annual GDP growth paced around 3%, core inflation neared the Fed's 2% target, and unemployment ended at 3.9%. Despite these strong numbers, trade tensions between the United States and China clouded the economic outlook, as protectionist rhetoric escalated into rounds of increased tariffs between the two countries. Fears of an eventual economic slowdown were amplified by turbulence in emerging markets and decelerating growth in the eurozone and China. Finally, toward the end of the year, equity markets declined significantly, fueling recession risk concerns and dampening investor expectations of further monetary tightening.

Consistent with the sell-off in risk assets, corporate bonds performed poorly. Global investment-grade corporate yield premiums<sup>(b)</sup> finished the year at 155 basis points<sup>(c)</sup>, the highest level since mid-2016. Financials outperformed Industrials and lower-rated companies underperformed higher-rated companies.

Amid this volatility, the U.S. dollar strengthened significantly against most currencies. The euro depreciated 4.5%, weighed down both by slowing economic momentum and rising political risks, including Italy's contentious budget process and ongoing Brexit uncertainties. Returns of emerging market currencies varied. The Argentine peso and Turkish lira fell dramatically, while the Mexican peso finished the year essentially unchanged. A large decline in oil prices ( $-25\%$  for the year) put downward pressure on the currencies of oil-exporting countries.

#### INVESTMENT STRATEGY

Financial markets ended 2018 on a decidedly negative note for most major asset classes. Fixed income generally fared relatively well, but the Fund's significant holdings in corporate and emerging market bonds underperformed U.S. Treasuries and drove the Fund's modestly negative return. While we are disappointed by these results, we maintain conviction in our long-term, value-driven investment strategy, and, in fact, we see many compelling opportunities in the current investment environment. When negative sentiment shrouds the market, valuations tend to fall across the board without distinguishing among the relative strength of individual companies or countries. These periods create excellent opportunities for our active investment strategy, which emphasises individual issuer and security selection and leverages our experienced research and investment team.

Of the three primary investment levers that we employ in the Fund—credit, currency, and rates—we were most active in credit, taking advantage of declining valuations (i.e., increasing yield premiums) to add significantly to our holdings. As of year end, the Fund had 63%<sup>(d)</sup> of its net assets invested in credit<sup>(e)</sup> securities across 54 issuers, up from 47% at the beginning of the year. While we made a number of incremental adjustments to the Fund's currency and interest rate positioning, the U.S. dollar weighting (81%) and overall duration<sup>(f)</sup> (3.7 years) did not change materially over the year.

#### Credit: Lower Valuations Create Interesting Opportunities

Our global bond investment strategy focuses on credit more than many of our peers' strategies, as we see plentiful opportunity in this large and growing part of the global bond market. Valuation discipline, a key tenet of our investment strategy, drove most of our portfolio changes in 2018. After reaching post-crisis highs in early February, credit valuations began to cheapen in March, and the trend accelerated in the fourth quarter. We opportunistically increased the Fund's aggregate credit exposure by 15 percentage points over the year, including a seven percentage point increase in the fourth quarter.

Throughout the year, we participated in several attractively priced primary debt offerings from companies that were financing strategic activities (e.g., mergers, acquisitions, spin-offs). The key characteristics of many of these investments included strong cash generation capabilities, high liquidity, business diversity and scale, and credible plans for debt reduction in the coming years. We also added to our subordinated bond holdings, especially industrial hybrid securities from several companies with strong credit profiles. For example, we recently established a position in a BHP Billiton<sup>(g)</sup> hybrid security with an option-adjusted spread of more than 300 basis points, which looked attractive relative to BHP's senior debt levels and other market alternatives. BHP is a large and geographically diversified mining company with top-tier assets, strong cash flow generation capabilities, and low leverage.

The financial press has written extensively about the current long-lasting credit and economic cycle, emphasising the growth in corporate leverage and triple-B debt. We closely follow these topics and incorporate them into our investment committee discussions. While the outlook for corporate borrowers has weakened somewhat, we believe corporate fundamentals remain reasonable amid healthy growth, profit margins, and interest coverage. Our credit analysis emphasises leading companies with durable cash flows and balance sheets that can weather a full economic cycle. Furthermore, credit yield premiums near current valuation levels have provided attractive investment entry points.

#### Currency: The U.S. Dollar Does It Again

The broad trade-weighted dollar rose 8% in 2018, bolstered by the United States' relatively strong growth and the Fed's interest rate hikes. Against this difficult backdrop, the Fund's aggregate currency exposures produced a roughly flat return, as the yields



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## INVESTMENT MANAGER'S REPORT

### GLOBAL BOND FUND

on several of the Fund's holdings helped offset declining spot rates almost across the board. The Fund's 6% position in Mexican peso-denominated government bond holdings performed well, despite weak emerging market sentiment and challenging political developments in Mexico over the course of the year.

We have been finding relatively more attractive risk-adjusted return opportunities in the U.S. dollar-denominated market, leading to a high U.S.-dollar exposure (81%) in the Fund. This weighting also reflects our caution about adding relatively volatile currency exposure to the Fund. However, we believe the U.S. dollar is moderately overvalued and nearing its cyclical peak, so we anticipate more non-U.S. currency opportunities to surface.

During the year, emerging market currencies with large external financing needs—most notably the Argentine peso and Turkish lira—generally depreciated versus the U.S. dollar. The Fund has small exposures to both of these currencies, which reached their lowest levels in the third quarter before rallying by year end. Our approach in volatile situations like this is to maintain our long-term investment view and retest our investment theses in light of changes to both fundamental factors and valuations. Overall, we believe that the low currency valuations and high yields of these investments warrant continued small exposures. Among other encouraging factors, the International Monetary Fund's agreement with Argentina in September has provided significant support and Turkey's economy is undergoing a much-needed rebalancing.

Emerging market pessimism also drove valuations lower in Indonesia. But after reviewing fundamentals, we increased the Fund's exposure to the Indonesian rupiah. We believed that the market had overreacted to sentiment and external conditions, and underappreciated Indonesia's economic strengths. During the year, the Indonesian central bank proactively hiked interest rates and the government announced measures to improve public finances and ease pressure on the current account deficit.

#### **Rates: Looking Outside the United States**

Courtesy of the Fed, U.S. short-term interest rates have risen substantially in recent years. For example, the 2-year U.S. Treasury rate has more than doubled in the last two years (from 1.2% to 2.5%). The rise in rates has increased the return potential for fixed income securities. However, we believe that U.S. interest rates are likely to continue to rise modestly, and this may create headwinds for returns. Consequently, we have positioned the Fund with a relatively low U.S.-dollar duration of 3.1 years.

Outside the United States, we have eschewed exposure to low-yielding markets like Germany and Japan, but we continue to find opportunities in emerging market sovereigns. We recently increased our interest rate exposure in both Mexico and Indonesia via purchases of longer-duration government bonds.

#### **IN CLOSING**

As we look at global bond investment opportunities across credit, currencies, and interest rates, we have a positive outlook over the long term. Valuations for these segments of the market appear relatively attractive, and we are particularly optimistic about the Fund's thoroughly researched holdings.

Thank you for your continued confidence in Dodge & Cox. As always, we welcome your comments and questions.

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



Charles F. Pohl,  
Chairman and  
Chief Investment Officer, Dodge & Cox



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

31 January 2019

<sup>(a)</sup> All returns are stated in U.S. dollars unless otherwise noted.

<sup>(b)</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>(c)</sup> One basis point is equal to 1/100th of 1%.

<sup>(d)</sup> Unless otherwise specified, all weightings and characteristics are as of 31 December 2018.

<sup>(e)</sup> Credit securities refers to corporate bonds and government-related securities, as classified by Bloomberg.

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

<sup>(g)</sup> The use of specific examples does not imply that they are more or less attractive investments than the Fund's other holdings.

INVESTMENT MANAGER’S REPORT  
GLOBAL BOND FUND

AVERAGE ANNUAL TOTAL RETURN			
For periods ended 31 December 2018	1 Year %	3 Year %	Since Inception % (1 May 2014)
Global Bond Fund			
USD Accumulating Class	−1.76	4.96	1.22
GBP Distributing Class	3.89	10.15	7.48
GBP Distributing Class (H)	−3.55	3.76	0.47
EUR Accumulating Class	2.81	3.13	5.43
EUR Accumulating Class (H)	−4.55	2.82	−0.30
EUR Distributing Class	2.75	3.13	5.43
EUR Distributing Class (H)	−4.58	2.84	−0.30
Bloomberg Barclays Global Aggregate Bond Index (USD)	−1.20	2.70	0.40
<i>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. Visit the Fund’s website at <a href="http://dodgeandcoxworldwide.com">dodgeandcoxworldwide.com</a> for current month-end performance figures.</i>			
<i>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 Bloomberg Barclays Global Aggregate Bond Index is a widely recognised, unmanaged index of multi-currency, investment-grade debt securities. Bloomberg is a registered trademark of Bloomberg Finance L.P. and its affiliates. Barclays® is a trademark of Barclays Bank PLC.</i>			

2018 PERFORMANCE REVIEW

The USD Accumulating Class returned −1.8% in 2018.

Key Detractors

- The Fund’s large allocation to corporate bonds (39%<sup>1</sup>) detracted from performance as credit yield premiums rose considerably. Underperformers include Telecom Italia and TransCanada.
- The Fund’s exposure to several depreciating emerging market currencies detracted from returns, including the Argentine peso (0.7%), Colombian peso (3.1%), and Indian rupee (2.5%).
- Government-related credits in the Fund (8%) generally underperformed, in particular the Province of Buenos Aires.

Key Contributors

- The Fund benefitted from its exposure to interest rates in the United States, Colombia, and India.
- The Fund’s large exposure to the Mexican peso (6.0%) contributed positively to returns.
- Certain credit holdings performed well, including Rio Oil Finance Trust and Citigroup capital securities.

<sup>1</sup> Unless otherwise noted, figures cited in this section denote positioning at the beginning of the period.

**Risks:** The yields and market values of the instruments in which the Fund invests may fluctuate. Accordingly, an 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. A low interest rate environment creates an elevated risk of future negative returns. Financial intermediaries may restrict their market making activities for certain debt securities, which may reduce the liquidity and increase the volatility of such securities. Additional risks may arise due to economic and political developments in the countries and regions where portfolio issuers operate; these risks may be increased when investing in emerging markets. The Fund is also subject to currency risk. Please read the prospectus and key investor information documents for specific details regarding the Fund’s risk profile.

ADDITIONAL REPORTING

For further review of the Fund’s performance and long-term investment strategy, please visit [dodgeandcoxworldwide.com](http://dodgeandcoxworldwide.com).

COMMON STOCKS:  
91.2% [93.3% at 31 December 2017<sup>(a)</sup>]

	Shares	Fair Value	% of Fund		Shares	Fair Value	% of Fund
COMMUNICATION SERVICES: 16.5% [19.5%]				Baker Hughes, a GE Company (United States)	639,700	\$13,753,550	0.4
MEDIA & ENTERTAINMENT: 13.6% [16.3%]				National Oilwell Varco, Inc. (United States)	52,299	1,344,084	0.0
Alphabet, Inc., Class C (United States)	88,224	\$91,365,656	2.4	Occidental Petroleum Corp. (United States)	832,500	51,098,850	1.3
Altice Europe NV, Series A (Netherlands)	3,409,548	6,582,683	0.2	Schlumberger, Ltd. (Curacao/United States)	530,600	19,144,048	0.5
Altice USA, Inc., Class A (United States)	1,419,357	23,447,778	0.6	Suncor Energy, Inc. (Canada)	1,506,200	42,128,414	1.1
Baidu, Inc. ADR (Cayman Islands/China)	271,000	42,980,600	1.1	Weatherford International PLC (Ireland/United States)	1,483,900	829,500	0.0
Charter Communications, Inc., Class A (United States)	300,798	85,718,406	2.3			221,504,907	5.8
Comcast Corp., Class A (United States)	3,042,200	103,586,910	2.7	FINANCIALS: 27.9% [23.3%]			
DISH Network Corp., Class A (United States)	470,300	11,743,391	0.3	BANKS: 17.1% [13.2%]			
Grupo Televisa SAB ADR (Mexico)	3,195,410	40,198,258	1.1	Axis Bank, Ltd. (India)	4,478,400	39,841,268	1.0
Liberty Global PLC, Series C (United Kingdom)	1,736,200	35,835,168	0.9	Banco Santander SA (Spain)	12,655,021	57,110,112	1.5
Liberty Latin America Ltd, Series A (Bermuda/United Kingdom)	47,568	688,785	0.0	Bank of America Corp. (United States)	2,087,100	51,426,144	1.3
Naspers, Ltd. (South Africa)	292,600	58,121,299	1.5	Barclays PLC (United Kingdom)	31,308,700	60,057,027	1.6
Television Broadcasts, Ltd. (Hong Kong)	301,100	567,826	0.0	BNP Paribas SA (France)	1,371,700	61,778,887	1.6
Twenty-First Century Fox, Inc., Class A (United States)	351,000	16,890,120	0.5	ICICI Bank, Ltd. (India)	16,221,760	83,975,661	2.2
		517,726,880	13.6	Kasikornbank PCL- Foreign (Thailand)	4,147,600	23,535,356	0.6
TELECOMMUNICATION SERVICES: 2.9% [3.2%]				Mitsubishi UFJ Financial Group, Inc. (Japan)	3,372,900	16,632,243	0.4
Millicom International Cellular SA SDR (Luxembourg)	442,400	28,072,796	0.7	Societe Generale SA (France)	1,840,485	58,433,458	1.5
MTN Group, Ltd. (South Africa)	4,715,400	29,191,601	0.7	Standard Chartered PLC (United Kingdom)	8,163,981	63,104,911	1.7
Sprint Corp. (United States)	3,772,400	21,955,368	0.6	UniCredit SPA (Italy)	6,221,964	70,581,496	1.9
Zayo Group Holdings, Inc. (United States)	1,471,216	33,602,573	0.9	Wells Fargo & Co. (United States)	1,456,200	67,101,696	1.8
		112,822,338	2.9			653,578,259	17.1
		630,549,218	16.5	DIVERSIFIED FINANCIALS: 9.3% [8.3%]			
CONSUMER DISCRETIONARY: 5.6% [6.3%]				American Express Co. (United States)	317,100	30,225,972	0.8
AUTOMOBILES & COMPONENTS: 1.8% [2.1%]				Bank of New York Mellon Corp. (United States)	657,200	30,934,404	0.8
Bayerische Motoren Werke AG (Germany)	394,250	31,929,158	0.8	Capital One Financial Corp. (United States)	849,500	64,213,705	1.7
Honda Motor Co., Ltd. (Japan)	1,450,200	37,895,396	1.0	Charles Schwab Corp. (United States)	1,322,400	54,919,272	1.4
		69,824,554	1.8	Credit Suisse Group AG (Switzerland)	4,301,082	47,398,536	1.2
CONSUMER DURABLES & APPAREL: 0.3% [Nil]				Goldman Sachs Group, Inc. (United States)	296,500	49,530,325	1.3
Mattel, Inc. (United States)	1,143,877	11,427,331	0.3	UBS Group AG (Switzerland)	6,302,400	78,672,611	2.1
RETAILING: 3.5% [4.2%]						355,894,825	9.3
Booking Holdings, Inc. (United States)	27,800	47,883,276	1.3	INSURANCE: 1.5% [1.8%]			
JD.com, Inc. ADR (Cayman Islands/China)	2,215,055	46,361,101	1.2	AEGON NV (Netherlands)	3,642,929	16,935,024	0.5
Qurate Retail, Inc., Series A (United States)	1,930,249	37,678,461	1.0	Aviva PLC (United Kingdom)	8,028,700	38,292,456	1.0
		131,922,838	3.5			55,227,480	1.5
		213,174,723	5.6			1,064,700,564	27.9
CONSUMER STAPLES: 0.7% [1.5% <sup>(b)</sup> ]				HEALTH CARE: 18.1% [19.7%]			
FOOD & STAPLES RETAILING: 0.7% [1.3%]				HEALTH CARE EQUIPMENT & SERVICES: 3.0% [5.4%]			
Magnit PJSC (Russia)	505,500	25,516,232	0.7	Cigna Corp. (United States)	208,698	39,635,924	1.1
ENERGY: 5.8% [6.7%]				CVS Health Corp. (United States)	653,200	42,797,664	1.1
Anadarko Petroleum Corp. (United States)	1,095,400	48,022,336	1.3	UnitedHealth Group, Inc. (United States)	126,000	31,389,120	0.8
Apache Corp. (United States)	1,721,300	45,184,125	1.2			113,822,708	3.0
				PHARMACEUTICALS, BIOTECHNOLOGY & LIFE SCIENCES: 15.1% [14.3%]			
				Alnylam Pharmaceuticals, Inc. (United States)	158,100	11,527,071	0.3

The accompanying notes are an integral part of the financial statements.

				PREFERRED STOCKS: 4.3% [4.3%]			
	Shares	Fair Value	% of Fund		Shares	Fair Value	% of Fund
AstraZeneca PLC (United Kingdom)	737,100	\$55,124,359	1.4	ENERGY: 0.9% [0.8%]			
Bayer AG (Germany)	632,100	43,830,542	1.2	Petroleo Brasileiro SA ADR (Brazil)			
Bristol-Myers Squibb Co. (United States)	1,097,400	57,042,852	1.5	FINANCIALS: 2.1% [1.7%]			
Eli Lilly and Co. (United States)	316,100	36,579,092	1.0	BANKS: 2.1% [1.7%]			
GlaxoSmithKline PLC (United Kingdom)	4,112,600	78,055,713	2.0	Itau Unibanco Holding SA ADR (Brazil)			
Incyte Corp. (United States)	305,700	19,439,463	0.5	INFORMATION TECHNOLOGY: 1.3% [1.8%]			
Novartis AG (Switzerland)	1,160,800	99,420,639	2.6	TECHNOLOGY, HARDWARE & EQUIPMENT: 1.3% [1.8%]			
Roche Holding AG (Switzerland)	336,800	83,281,965	2.2	Samsung Electronics Co., Ltd. (South Korea)			
Sanofi (France)	1,080,425	93,369,286	2.4				
		577,670,982	15.1	TOTAL PREFERRED STOCKS			
		691,493,690	18.1				
INDUSTRIALS: 5.3% [4.6%]				EQUITY-LINKED NOTE: 0.5% [Nil]			
CAPITAL GOODS: 3.5% [2.5%]				COMMUNICATION SERVICES: 0.5% [Nil]			
Johnson Controls International PLC (Ireland/United States)	2,402,274	71,227,424	1.8	MEDIA & ENTERTAINMENT: 0.5% [Nil]			
Mitsubishi Electric Corp. (Japan)	3,577,500	39,219,798	1.0	Naspers, Ltd. excluding Tencent Holdings, Ltd.(c) (South Africa)			
Schneider Electric SA (France)	374,100	25,460,126	0.7				
		135,907,348	3.5	TOTAL EQUITY-LINKED NOTE			
TRANSPORTATION: 1.8% [2.1%]							
FedEx Corp. (United States)	420,400	67,823,132	1.8				
		203,730,480	5.3	SHORT-TERM INVESTMENTS: 3.9% [2.1%]			
INFORMATION TECHNOLOGY: 7.1% [7.6%]							
SEMICONDUCTORS & SEMICONDUCTOR EQUIPMENT: 1.1% [Nil]							
Microchip Technology, Inc. (United States)	589,500	42,396,840	1.1	REPURCHASE AGREEMENT: 3.9% [2.1%]			
SOFTWARE & SERVICES: 2.2% [2.8%]				Fixed Income Clearing Corporation <sup>(d)</sup>			
Dell Technologies, Inc., Class C (United States)	337,922	16,514,248	0.4	1.60%, dated 31/12/18, due 2/1/19, maturity value \$148,641,211			
Micro Focus International PLC (United Kingdom)	1,088,695	19,028,194	0.5				
Microsoft Corp. (United States)	487,000	49,464,590	1.3	TOTAL SHORT-TERM INVESTMENTS			
		85,007,032	2.2				
TECHNOLOGY, HARDWARE & EQUIPMENT: 3.8% [4.8%]				TOTAL INVESTMENTS EXCLUDING FINANCIAL DERIVATIVE INSTRUMENTS: 99.9% [99.7%]			
Hewlett Packard Enterprise Co. (United States)	2,961,100	39,116,131	1.0				
HP Inc. (United States)	917,200	18,765,912	0.5	FINANCIAL DERIVATIVE INSTRUMENTS 0.0% [(0.3%)]			
Juniper Networks, Inc. (United States)	1,396,400	37,577,124	1.0	FUTURES CONTRACTS 0.0% [0.0%]			
Samsung Electronics Co., Ltd. (South Korea)	354,600	12,269,398	0.3				
TE Connectivity, Ltd. (Switzerland)	471,000	35,621,730	1.0				
		143,350,295	3.8				
		270,754,167	7.1				
MATERIALS: 3.8% [3.5%]							
Celanese Corp. (United States)	357,400	32,155,278	0.8				
Cemex SAB de CV ADR (Mexico)	6,829,471	32,918,050	0.9				
LafargeHolcim, Ltd. (Switzerland)	641,554	26,510,447	0.7				
Linde PLC (Ireland/United States)	324,708	51,559,394	1.4				
		143,143,169	3.8				
REAL ESTATE: 0.4% [0.6%]							
Hang Lung Group, Ltd. (Hong Kong)	6,709,400	17,045,909	0.4				
TOTAL COMMON STOCKS							
		3,481,613,059	91.2				

The accompanying notes are an integral part of the financial statements.

CURRENCY FORWARD CONTRACTS 0.0% [(0.3%)]

Counterparty	Settle Date	Contract Amount		Unrealised Gain (Loss)	% of Fund
		Receive USD	Deliver Non-USD		
Contracts to sell CHF:					
Barclays	30/1/19	10,387,402	10,253,249	(\$69,588)	0.0
Morgan Stanley	30/1/19	10,384,037	10,253,250	(72,954)	0.0
Barclays	6/2/19	11,425,454	11,350,000	(157,648)	0.0
UBS	6/2/19	13,560,493	13,500,000	(216,764)	0.0
Barclays	27/2/19	3,544,947	3,500,000	(34,002)	0.0
Goldman Sachs	27/2/19	6,065,630	6,000,000	(69,711)	0.0
HSBC	27/2/19	9,077,233	8,930,000	(54,200)	0.0
Contracts to sell CNH:					
Credit Suisse	9/1/19	2,499,144	16,531,840	92,077	0.0
HSBC	9/1/19	623,410	4,132,960	21,643	0.0
HSBC	9/1/19	1,869,751	12,398,880	64,451	0.0
HSBC	9/1/19	623,250	4,132,960	21,484	0.0
HSBC	9/1/19	1,870,230	12,398,880	64,930	0.0
JPMorgan	16/1/19	8,858,236	57,784,934	444,897	0.0
JPMorgan	16/1/19	7,631,608	49,783,266	383,291	0.0
Citibank	30/1/19	1,361,683	8,793,750	81,445	0.0
Citibank	30/1/19	1,533,600	9,900,000	92,308	0.0
Citibank	30/1/19	1,556,209	10,050,000	93,080	0.0
Citibank	30/1/19	1,341,900	8,662,500	80,770	0.0
HSBC	30/1/19	1,549,019	10,000,000	93,169	0.0
HSBC	30/1/19	1,355,391	8,750,000	81,523	0.0
UBS	30/1/19	1,555,848	10,050,000	92,719	0.0
UBS	30/1/19	1,361,367	8,793,750	81,129	0.0
Citibank	13/2/19	1,165,465	7,500,000	73,641	0.0
Credit Suisse	13/2/19	1,164,868	7,500,000	73,043	0.0
Citibank	12/6/19	22,636,628	147,000,000	1,240,135	0.0
Barclays	24/7/19	5,109,937	35,000,000	15,734	0.0
Citibank	7/8/19	2,896,243	20,018,830	(17,436)	0.0
Citibank	7/8/19	6,889,018	47,613,450	(40,972)	0.0
Citibank	7/8/19	727,102	5,025,000	(4,271)	0.0
Citibank	7/8/19	730,909	5,025,000	(464)	0.0
Citibank	7/8/19	720,084	4,950,000	(373)	0.0
HSBC	7/8/19	6,825,303	46,902,801	(1,254)	0.0
HSBC	7/8/19	2,870,039	19,720,041	(151)	0.0
HSBC	7/8/19	2,912,550	20,018,829	(1,129)	0.0
HSBC	7/8/19	6,921,062	47,613,449	(8,927)	0.0
Barclays	28/8/19	2,027,546	14,000,000	(10,074)	0.0
Barclays	28/8/19	2,185,633	15,000,000	2,469	0.0
Citibank	28/8/19	2,306,625	15,828,750	2,841	0.0
Goldman Sachs	28/8/19	2,305,549	15,828,750	1,766	0.0
JPMorgan	28/8/19	2,271,304	15,592,500	1,905	0.0
Goldman Sachs	25/9/19	5,459,733	37,985,000	(68,632)	0.0
JPMorgan	23/10/19	11,703,418	82,000,000	(230,577)	0.0
Barclays	4/12/19	3,013,019	21,037,500	(48,557)	0.0
Barclays	4/12/19	3,058,233	21,356,250	(49,731)	0.0
Barclays	4/12/19	6,588,370	46,000,000	(105,985)	0.0
Citibank	4/12/19	14,585,389	102,000,000	(258,615)	0.0
JPMorgan	4/12/19	3,059,854	21,356,250	(48,110)	0.0
UBS	4/12/19	3,036,582	21,250,000	(55,919)	0.0

Counterparty	Settle Date	Deliver USD	Receive Non-USD	Unrealised Gain (Loss)	% of Fund
Contracts to buy CNH:					
Goldman Sachs	16/1/19	2,365,484	15,000,008	(181,521)	0.0
Goldman Sachs	16/1/19	2,364,067	15,000,007	(180,105)	0.0
Goldman Sachs	16/1/19	2,366,301	14,999,985	(182,342)	0.0
Unrealised gain on currency forward contracts				3,200,450	0.0
Unrealised loss on currency forward contracts				(2,170,012)	0.0
Net unrealised gain (loss) on currency forward contracts				1,030,438	0.0

CURRENCY FORWARD CONTRACTS—SHARE CLASS  
HEDGING: 0.0% [0.0%]

Counterparty	Settle Date	Contract Amount		Unrealised Gain (Loss)	% of Fund
		Receive USD	Deliver Non-USD		
Contracts to sell GBP:					
State Street	31/1/19	11,396	8,975	(\$60)	0.0
State Street	31/1/19	32,004	25,291	(276)	0.0
Counterparty	Settle Date	Deliver USD	Receive Non-USD	Unrealised Gain (Loss)	% of Fund
Contracts to buy GBP:					
State Street	31/1/19	879,719	692,756	4,492	0.0
Unrealised gain on currency forward contracts—share class hedging				4,492	0.0
Unrealised loss on currency forward contracts—share class hedging				(336)	0.0
Net unrealised gain (loss) on currency forward contracts—share class hedging				4,156	0.0
TOTAL FINANCIAL DERIVATIVE INSTRUMENTS				1,384,150	0.0

	Fair Value	% of Fund
TOTAL INVESTMENTS: 99.9% [99.4%]	3,811,617,507	99.9
OTHER ASSETS LESS LIABILITIES: 0.1% [0.6%]	3,731,621	0.1
NET ASSETS ATTRIBUTABLE TO REDEEMABLE SHAREHOLDERS: 100.0% [100.0%]	\$3,815,349,128	100.0

- (a) Amounts in brackets represent allocations at 31 December 2017
- (b) Amount includes 0.2% allocation to Food, Beverage & Tobacco
- (c) Equity-linked note issued by JPMorgan Chase Bank, N.A. The note is designed to provide exposure to Naspers, Ltd. excluding the effect of Naspers, Ltd.'s investment in Tencent Holdings, Ltd.
- (d) Repurchase agreement is collateralised by U.S. Treasury Notes 1.375%-2.75%, 31/8/20-30/9/20. Total collateral value is \$151,602,222.

In determining a company's country designation, the Fund generally references the country of incorporation. In cases where the Fund considers the country of incorporation to be a "jurisdiction of convenience" chosen primarily for tax purposes or in other limited circumstances, the Fund uses the country designation of an appropriate broad-based market index. In those cases, two countries are listed—the country of incorporation and the country designated by an appropriate index, respectively.

ADR: American Depositary Receipt  
SDR: Swedish Depositary Receipt  
CHF: Swiss Franc  
CNH: Chinese Renminbi  
EUR: Euro  
GBP: British Pound

ANALYSIS OF TOTAL ASSETS (unaudited)	% of Total Assets
Transferable securities admitted to official stock exchange listing	95.4
Short-term securities	3.9
Financial derivative instruments dealt in on a regulated market	0.0
Over the counter financial derivative instruments	0.1
Other assets	0.6
	100.0

The accompanying notes are an integral part of the financial statements.



COMMON STOCKS:  
94.3% [94.3% at 31 December 2017<sup>(a)</sup>]

	Shares	Fair Value	% of Fund		Shares	Fair Value	% of Fund
COMMUNICATION SERVICES: 16.2% [15.6%]				Charles Schwab Corp.	1,287,900	\$53,486,487	3.1
MEDIA & ENTERTAINMENT: 14.3% [14.2%]				Goldman Sachs Group, Inc.	179,100	29,918,655	1.7
Alphabet, Inc., Class C	53,941	\$55,861,839	3.2			212,621,616	12.3
Charter Communications, Inc., Class A	199,383	56,818,174	3.3	INSURANCE: 2.6% [2.2%]			
Comcast Corp., Class A	2,151,100	73,244,955	4.2	Brighthouse Financial, Inc.	173,663	5,293,248	0.3
DISH Network Corp., Class A	339,000	8,464,830	0.5	MetLife, Inc.	990,400	40,665,824	2.3
News Corp., Class A	195,712	2,221,331	0.2			45,959,072	2.6
Twenty-First Century Fox, Inc., Class A	835,900	40,223,508	2.3			423,275,164	24.4
Twenty-First Century Fox, Inc., Class B	221,700	10,592,826	0.6	HEALTH CARE: 19.4% [18.9%]			
		247,427,463	14.3	HEALTH CARE EQUIPMENT & SERVICES: 7.7% [7.7%]			
TELECOMMUNICATION SERVICES: 1.9% [1.4%]				Cigna Corp.	262,512	49,856,279	2.9
AT&T, Inc.	482,473	13,769,779	0.8	CVS Health Corp.	273,000	17,886,960	1.1
Sprint Corp.	1,545,838	8,996,777	0.5	Danaher Corp.	120,000	12,374,400	0.7
Zayo Group Holdings, Inc.	460,000	10,506,400	0.6	Medtronic PLC (Ireland/United States)	288,700	26,260,152	1.5
		33,272,956	1.9	UnitedHealth Group, Inc.	105,800	26,356,896	1.5
		280,700,419	16.2			132,734,687	7.7
CONSUMER DISCRETIONARY: 4.1% [3.9%]				PHARMACEUTICALS, BIOTECHNOLOGY & LIFE SCIENCES: 11.7% [11.2%]			
AUTOMOBILES & COMPONENTS: 0.4% [0.4%]				Alnylam Pharmaceuticals, Inc.	80,000	5,832,800	0.3
Harley-Davidson, Inc.	177,000	6,039,240	0.4	AstraZeneca PLC ADR (United Kingdom)	352,600	13,391,748	0.8
CONSUMER DURABLES & APPAREL: 0.3% [0.4%]				Bristol-Myers Squibb Co.	763,000	39,660,740	2.3
Mattel, Inc.	560,800	5,602,392	0.3	Eli Lilly and Co.	440,000	50,916,800	2.9
RETAILING: 3.4% [3.1%]				Gilead Sciences, Inc.	439,500	27,490,725	1.6
Booking Holdings, Inc.	15,700	27,041,994	1.6	GlaxoSmithKline PLC ADR (United Kingdom)	343,000	13,106,030	0.7
Qurate Retail, Inc., Series A	898,000	17,528,960	1.0	Incyte Corp.	125,000	7,948,750	0.5
Target Corp.	92,700	6,126,543	0.3	Novartis AG ADR (Switzerland)	175,600	15,068,236	0.9
The Gap, Inc.	331,000	8,526,560	0.5	Roche Holding AG ADR (Switzerland)	474,000	14,731,920	0.8
		59,224,057	3.4	Sanofi ADR (France)	345,566	15,001,020	0.9
		70,865,689	4.1			203,148,769	11.7
CONSUMER STAPLES: 0.6% [0.4% <sup>(b)</sup> ]						335,883,456	19.4
FOOD, BEVERAGE & TOBACCO: 0.6% [Nil]				INDUSTRIALS: 6.6% [5.4%]			
Molson Coors Brewing Company, Class B	198,000	11,119,680	0.6	CAPITAL GOODS: 3.4% [1.6%]			
ENERGY: 8.5% [8.0%]				Johnson Controls International PLC (Ireland/United States)	1,164,087	34,515,180	2.0
Anadarko Petroleum Corp.	723,000	31,696,320	1.8	United Technologies Corp.	223,000	23,745,040	1.4
Apache Corp.	850,245	22,318,931	1.3			58,260,220	3.4
Baker Hughes, a GE Company	1,001,833	21,539,410	1.2	TRANSPORTATION: 3.2% [3.8%]			
Concho Resources, Inc.	70,000	7,195,300	0.4	FedEx Corp.	257,700	41,574,741	2.4
Halliburton Co.	495,000	13,157,100	0.8	Union Pacific Corp.	100,000	13,823,000	0.8
National Oilwell Varco, Inc.	282,300	7,255,110	0.4			55,397,741	3.2
Occidental Petroleum Corp.	467,500	28,695,150	1.7			113,657,961	6.6
Schlumberger, Ltd. (Curacao/United States)	412,000	14,864,960	0.9	INFORMATION TECHNOLOGY: 13.4% [14.2%]			
		146,722,281	8.5	SEMICONDUCTORS & SEMICONDUCTOR EQUIPMENT: 1.8% [0.9%]			
FINANCIALS: 24.4% [26.9%]				Maxim Integrated Products, Inc.	180,000	9,153,000	0.5
BANKS: 9.5% [10.4%]				Microchip Technology, Inc.	306,000	22,007,520	1.3
Bank of America Corp.	1,888,100	46,522,784	2.7			31,160,520	1.8
BB&T Corp.	296,100	12,827,052	0.7	SOFTWARE & SERVICES: 4.5% [4.7%]			
JPMorgan Chase & Co.	441,600	43,108,992	2.5	Dell Technologies, Inc., Class C	163,514	7,990,929	0.5
Wells Fargo & Co.	1,350,600	62,235,648	3.6	Micro Focus International PLC ADR (United Kingdom)	533,350	9,178,954	0.5
		164,694,476	9.5	Microsoft Corp.	600,000	60,942,000	3.5
DIVERSIFIED FINANCIALS: 12.3% [14.3%]				Synopsys, Inc.	9,800	825,552	0.0
American Express Co.	440,500	41,988,460	2.4			78,937,435	4.5
Bank of New York Mellon Corp.	865,600	40,743,792	2.4				
Capital One Financial Corp.	614,952	46,484,222	2.7				

The accompanying notes are an integral part of the financial statements.

	Shares	Fair Value	% of Fund
TECHNOLOGY, HARDWARE & EQUIPMENT: 7.1% [8.6%]			
Cisco Systems, Inc.	599,200	\$25,963,336	1.5
Hewlett Packard Enterprise Co.	2,241,993	29,616,727	1.7
HP Inc.	1,378,217	28,198,320	1.6
Juniper Networks, Inc.	692,741	18,641,660	1.1
TE Connectivity, Ltd. (Switzerland)	269,900	20,412,537	1.2
		122,832,580	7.1
		232,930,535	13.4
MATERIALS: 1.1% [1.0%]			
Ball Corporation	64,500	2,965,710	0.2
Celanese Corp.	176,800	15,906,696	0.9
		18,872,406	1.1
TOTAL COMMON STOCKS	1,634,027,591		94.3

SHORT-TERM INVESTMENTS: 5.6% [3.1%]

	Par Value	Fair Value	% of Fund
REPURCHASE AGREEMENT: 5.6% [3.1%]			
Fixed Income Clearing Corporation <sup>(c)</sup>			
1.60%, dated 31/12/18, due 2/1/19, maturity value \$97,535,669	\$97,527,000	97,527,000	5.6
TOTAL SHORT-TERM INVESTMENTS		97,527,000	5.6

TOTAL INVESTMENTS EXCLUDING FINANCIAL DERIVATIVE INSTRUMENTS: 99.9% [97.4%]	1,731,554,591	99.9
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FINANCIAL DERIVATIVE INSTRUMENTS (0.1%) [0.0%]

FUTURES CONTRACTS: (0.1%) [0.0%]

Description	Number of Contracts	Expiration Date	Notional Amount	Unrealised Gain (Loss)	% of Fund
E-mini S&P 500 Index—Long Position	756	15/3/19	\$94,696,560	(1,046,557)	(0.1)
Net unrealised gain (loss) on futures contracts				(1,046,557)	(0.1)

CURRENCY FORWARD CONTRACTS—SHARE CLASS HEDGING: 0.0% [0.0%]

Counterparty	Settle Date	Contract Amount		Unrealised Gain (Loss)	% of Fund
		Receive USD	Deliver Non-USD		
Contracts to sell GBP:					
State Street	31/1/19	113,593	89,462	(594)	0.0
State Street	31/1/19	178,611	140,488	(704)	0.0
State Street	31/1/19	229,188	181,113	(1,979)	0.0

Counterparty	Settle Date	Deliver USD	Receive Non-USD	Unrealised Gain (Loss)	% of Fund
Contracts to buy GBP:					
State Street	31/1/19	8,773,674	6,909,041	\$44,796	0.0
State Street	31/1/19	25,290	19,995	231	0.0
State Street	31/1/19	3,915	3,073	8	0.0
State Street	31/1/19	7,259	5,708	26	0.0
Unrealised gain on currency forward contracts—share class hedging				45,061	0.0
Unrealised loss on currency forward contracts—share class hedging				(3,277)	0.0
Net unrealised gain (loss) on currency forward contracts—share class hedging				41,784	0.0
TOTAL FINANCIAL DERIVATIVE INSTRUMENTS				(1,004,773)	(0.1)

	Fair Value	% of Fund
TOTAL INVESTMENTS: 99.8% [97.4%]	1,730,549,818	99.8
OTHER ASSETS LESS LIABILITIES: 0.2% [2.6%]	2,887,643	0.2
NET ASSETS ATTRIBUTABLE TO REDEEMABLE SHAREHOLDERS: 100.0% [100.0%]	\$1,733,437,461	100.0

(a) Amounts in brackets represent allocations at 31 December 2017  
(b) Amount includes 0.4% allocation to Food & Staples Retailing  
(c) Repurchase agreement is collateralised by U.S. Treasury Notes 1.375%-2.75%, 30/9/20. Total collateral value is \$99,480,238.

In determining a company's country designation, the Fund generally references the country of incorporation. In cases where the Fund considers the country of incorporation to be a "jurisdiction of convenience" chosen primarily for tax purposes or in other limited circumstances, the Fund uses the country designation of an appropriate broad-based market index. In those cases, two countries are listed—the country of incorporation and the country designated by an appropriate index, respectively. In the U.S. Stock Fund, a company's country designation is the United States unless otherwise noted.

ADR: American Depositary Receipt  
GBP: British Pound

ANALYSIS OF TOTAL ASSETS (unaudited)	% of Total Assets
Transferable securities admitted to official stock exchange listing	93.4
Short-term securities	5.6
Over the counter financial derivative instruments	0.0
Other assets	1.0
	100.0

The accompanying notes are an integral part of the financial statements.



## PORTFOLIO OF INVESTMENTS GLOBAL BOND FUND

31 December 2018

**DEBT SECURITIES:**  
95.3% [94.6% at 31 December 2017<sup>(a)</sup>]

		Par Value	Fair Value	% of Fund		Par Value	Fair Value	% of Fund	
GOVERNMENT: 19.3% [23.0%]					Series 2018-2A A3, 3.256%, 25/3/67	USD	5,717,000	\$5,685,309	1.7
Argentina Government (Argentina)					Navient Student Loan Trust (Private Loans) (United States)				
4.50%, 21/6/19 <sup>(b)</sup>	USD	3,450,000	\$3,431,888	1.1	Series 2015-CA B, 3.25%, 15/5/40	USD	2,760,000	2,756,871	0.9
Colombia Government (Colombia)					Series 2017-A B, 3.91%, 16/12/58	USD	450,000	445,357	0.1
7.75%, 14/4/21	COP	16,450,000,000	5,270,585	1.6	SLM Student Loan Trust (United States)				
3.00%, 25/3/33 <sup>(c)</sup>	COP	11,208,629,400	3,230,681	1.0	Series 2012-1 A3, 3.456%, 25/9/28	USD	2,964,622	2,969,340	0.9
India Government (India)					Series 2003-1 A5A, 2.898%, 15/12/32	USD	2,574,332	2,462,510	0.8
8.24%, 15/2/27	INR	822,770,000	12,388,784	3.8	SLM Student Loan Trust (Private Loans) (United States)				
Indonesia Government (Indonesia)					Series 2014-A A2A, 2.59%, 15/1/26	USD	738,976	737,678	0.2
8.25%, 15/5/36	IDR	159,100,000,000	10,925,678	3.3	SMB Private Education Loan Trust (Private Loans) (United States)				
Italy Government (Italy)					Series 2017-B A2A, 2.82%, 15/10/35	USD	3,602,000	3,521,696	1.1
4.50%, 1/3/24	EUR	1,335,000	1,720,533	0.5	Series 2017-B B, 3.50%, 16/12/41	USD	1,000,000	976,173	0.3
Mexico Government (Mexico)								21,777,205	6.7
2.00%, 9/6/22 <sup>(c)</sup>	MXN	147,259,823	6,948,246	2.1				27,032,054	8.3
5.75%, 5/3/26	MXN	82,350,000	3,539,729	1.1					
8.00%, 7/11/47	MXN	232,500,000	10,685,174	3.3					
Poland Government (Poland)									
2.50%, 25/1/23	PLN	12,900,000	3,510,643	1.1					
Turkey Government (Turkey)									
10.50%, 11/8/27	TRY	10,040,000	1,418,026	0.4					
			63,069,967	19.3					
GOVERNMENT-RELATED: 5.9% [8.2%]					CMBS: 1.1% [Nil]				
Chicago Transit Authority RB (United States)					Agency CMBS: 1.1% [Nil]				
6.899%, 1/12/40	USD	1,315,000	1,679,899	0.5	Freddie Mac Military Housing Trust Multifamily (United States)				
Indonesia Government International (Indonesia)					4.492%, 25/11/55	USD	3,522,657	3,774,446	1.1
3.75%, 14/6/28	EUR	1,375,000	1,710,393	0.5	MORTGAGE-RELATED: 4.0% [19.7%]				
Peru Government International (Peru)					Federal Agency CMO & REMIC: 3.7% [5.1%]				
2.75%, 30/1/26	EUR	1,450,000	1,800,889	0.6	Fannie Mae (United States)				
Petroleo Brasileiro SA (Brazil)					Trust 2004-W9 1A3, 6.05%, 25/2/44	USD	227,213	256,949	0.1
7.25%, 17/3/44	USD	1,625,000	1,601,454	0.5	Freddie Mac (United States)				
Petroleos Mexicanos (Mexico)					Series T-59 1A1, 6.50%, 25/10/43	USD	156,967	182,071	0.1
4.75%, 26/2/29	EUR	2,000,000	2,097,095	0.6	Series 4319 MA, 4.50%, 15/3/44	USD	180,746	192,243	0.1
6.375%, 23/1/45	USD	800,000	644,000	0.2	Ginnie Mae (United States)				
6.75%, 21/9/47	USD	2,575,000	2,129,242	0.7	Series 2010-169 JZ, 4.00%, 20/12/40	USD	276,582	281,343	0.1
Province of Buenos Aires Argentina (Argentina)					Series 2017-H22 FH, 3.145%, 20/11/67	USD	11,025,501	11,026,174	3.3
49.217%, 31/5/22	ARS	66,600,000	1,623,019	0.5				11,938,780	3.7
5.375%, 20/1/23	EUR	4,000,000	3,571,870	1.1	Federal Agency Mortgage Pass-Through: 0.3% [14.6%]				
State of Illinois GO (United States)					Fannie Mae, 20 Year (United States)				
5.877%, 1/3/19	USD	300,000	301,326	0.1	4.00%, 10/1/31—6/1/35	USD	229,519	236,274	0.1
5.10%, 1/6/33	USD	2,050,000	1,954,532	0.6	Fannie Mae, 30 Year (United States)				
			19,113,719	5.9	4.50%, 4/1/39—4/1/46	USD	375,851	391,113	0.1
SECURITIZED: 13.4% [24.5%]					Fannie Mae, Hybrid ARM (United States)				
ASSET-BACKED: 8.3% [4.8% <sup>(d)</sup> ]					2.897%, 1/8/44	USD	35,096	35,409	0.0
Other: 1.6% [1.3%]					Freddie Mac Gold, 30 Year (United States)				
Rio Oil Finance Trust (Brazil)					4.50%, 8/1/44—9/1/44	USD	340,502	353,136	0.1
9.25%, 6/7/24	USD	3,950,846	4,212,590	1.3				1,015,932	0.3
9.75%, 6/1/27	USD	186,752	204,259	0.1				12,954,712	4.0
8.20%, 6/4/28	USD	800,000	838,000	0.2				43,761,212	13.4
			5,254,849	1.6					
Student Loan: 6.7% [2.5%]									
Navient Student Loan Trust (United States)									
Series 2017-3A A3, 3.556%, 26/7/66	USD	2,200,000	2,222,271	0.7					

The accompanying notes are an integral part of the financial statements.

		Par Value	Fair Value	% of Fund			Par Value	Fair Value	% of Fund
CORPORATE: 56.7% [38.9%]					Dell Technologies, Inc. (United States) 5.45%, 15/6/23 USD 1,100,000 \$1,119,341 0.3				
FINANCIALS: 14.7% [10.9%]					DowDuPont, Inc. (United States) 5.55%, 30/11/48 USD 1,625,000 1,642,771 0.5				
Bank of America Corp. (United States) 4.25%, 22/10/26 USD 3,300,000 \$3,211,222 1.0					Elanco Animal Health, Inc. (United States) 4.90%, 28/8/28 USD 1,725,000 1,756,347 0.5				
4.183%, 25/11/27 USD 1,000,000 961,716 0.3					Ford Motor Credit Co. LLC <sup>(f)</sup> (United States) 5.875%, 2/8/21 USD 3,450,000 3,538,072 1.1				
Barclays PLC (United Kingdom) 4.836%, 9/5/28 USD 4,050,000 3,714,058 1.1					4.14%, 15/2/23 USD 1,550,000 1,473,208 0.4				
BNP Paribas SA (France) 4.375%, 28/9/25 USD 4,625,000 4,496,013 1.4					Grupo Televisa SAB (Mexico) 8.50%, 11/3/32 USD 1,230,000 1,536,861 0.5				
4.625%, 13/3/27 USD 1,425,000 1,383,917 0.4					6.125%, 31/1/46 USD 1,875,000 1,925,804 0.6				
Capital One Financial Corp. (United States) 3.75%, 24/4/24 USD 900,000 877,715 0.3					HCA Holdings, Inc. (United States) 4.75%, 1/5/23 USD 4,875,000 4,801,875 1.5				
Chubb, Ltd. (Switzerland) 2.50%, 15/3/38 EUR 4,625,000 5,219,924 1.6					Imperial Brands PLC (United Kingdom) 4.25%, 21/7/25 USD 1,675,000 1,648,231 0.5				
Cigna Corp. (United States) 3.75%, 15/7/23 USD 925,000 921,862 0.3					3.375%, 26/2/26 EUR 2,060,000 2,499,225 0.8				
4.125%, 15/11/25 USD 900,000 899,150 0.3					Kinder Morgan, Inc. (United States) 6.95%, 15/1/38 USD 6,450,000 7,200,979 2.2				
4.375%, 15/10/28 USD 675,000 679,178 0.2					LafargeHolcim, Ltd. (Switzerland) 7.125%, 15/7/36 USD 500,000 590,159 0.2				
Citigroup, Inc. (United States) 8.89%, 30/10/40 <sup>(e)</sup> USD 3,520,000 3,715,712 1.1					4.75%, 22/9/46 USD 3,450,000 3,000,018 0.9				
HSBC Holdings PLC (United Kingdom) 6.50%, 15/9/37 USD 1,150,000 1,304,670 0.4					Macy's, Inc. (United States) 6.90%, 1/4/29 USD 115,000 123,877 0.0				
6.00%, 29/3/40 GBP 2,525,000 3,848,717 1.2					6.70%, 15/7/34 USD 1,000,000 1,003,290 0.3				
JPMorgan Chase & Co. (United States) 4.25%, 1/10/27 USD 3,475,000 3,422,755 1.1					Millicom International Cellular SA (Luxembourg) 5.125%, 15/1/28 USD 3,925,000 3,493,250 1.1				
Lloyds Banking Group PLC (United Kingdom) 4.50%, 4/11/24 USD 800,000 772,442 0.2					Molex Electronic Technologies LLC <sup>(f)</sup> (United States) 2.878%, 15/4/20 USD 300,000 297,064 0.1				
4.65%, 24/3/26 USD 5,000,000 4,703,156 1.4					MTN Group, Ltd. (South Africa) 4.755%, 11/11/24 USD 1,700,000 1,541,747 0.5				
Royal Bank of Scotland Group PLC (United Kingdom) 6.125%, 15/12/22 USD 150,000 152,011 0.1					Naspers, Ltd. (South Africa) 4.85%, 6/7/27 USD 6,175,000 5,914,143 1.8				
6.00%, 19/12/23 USD 3,925,000 3,972,251 1.2					QVC, Inc. <sup>(f)</sup> (United States) 4.45%, 15/2/25 USD 3,450,000 3,180,689 1.0				
Wells Fargo & Co. (United States) 4.30%, 22/7/27 USD 3,675,000 3,616,971 1.1					RELX PLC (United Kingdom) 3.125%, 15/10/22 USD 300,000 294,547 0.1				
					3.50%, 16/3/23 USD 1,675,000 1,661,624 0.5				
					Telecom Italia SPA (Italy) 7.175%, 18/6/19 USD 2,450,000 2,467,003 0.7				
INDUSTRIALS: 36.7% [25.5%]					6.375%, 24/6/19 GBP 400,000 518,341 0.2				
AT&T, Inc. (United States) 3.15%, 4/9/36 EUR 6,150,000 6,721,608 2.1					7.20%, 18/7/36 USD 1,775,000 1,695,125 0.5				
Bayer AG (Germany) 3.75%, 1/7/74 <sup>(e)</sup> EUR 5,200,000 5,772,608 1.8					7.721%, 4/6/38 USD 2,975,000 2,954,562 0.9				
Becton, Dickinson and Co. (United States) 2.894%, 6/6/22 USD 1,800,000 1,743,251 0.5					TransCanada Corp. (Canada) 5.625%, 20/5/75 <sup>(e)</sup> USD 800,000 721,000 0.2				
BHP Billiton, Ltd. (Australia) 6.75%, 19/10/75 <sup>(e)</sup> USD 3,000,000 3,120,000 1.0					5.30%, 15/3/77 <sup>(e)</sup> USD 6,875,000 5,933,984 1.8				
Cemex SAB de CV (Mexico) 7.75%, 16/4/26 USD 6,175,000 6,491,530 2.0					Twenty-First Century Fox, Inc. (United States) 6.65%, 15/11/37 USD 2,250,000 2,965,729 0.9				
Charter Communications, Inc. (United States) 6.75%, 15/6/39 USD 700,000 711,986 0.2					6.15%, 15/2/41 USD 500,000 621,636 0.2				
6.484%, 23/10/45 USD 4,480,000 4,623,778 1.4					Ultrapar Participacoes SA (Brazil) 5.25%, 6/10/26 USD 3,725,000 3,617,943 1.1				
5.75%, 1/4/48 USD 2,150,000 2,015,726 0.6					Verizon Communications, Inc. (United States) 5.012%, 15/4/49 USD 3,750,000 3,741,629 1.1				
Comcast Corp. (United States) 3.969%, 1/11/47 USD 975,000 872,769 0.3					Xerox Corp. (United States) 4.50%, 15/5/21 USD 5,010,000 4,886,949 1.5				
Concho Resources, Inc. (United States) 4.875%, 1/10/47 USD 1,150,000 1,094,998 0.3									
Cox Enterprises, Inc. (United States) 8.375%, 1/3/39 USD 2,780,000 3,468,101 1.1					119,923,841 36.7				
CVS Health Corp. (United States) 3.70%, 9/3/23 USD 1,225,000 1,211,817 0.4					UTILITIES: 5.3% [2.5%]				
4.10%, 25/3/25 USD 375,000 371,709 0.1					Dominion Energy, Inc. (United States) 5.75%, 1/10/54 <sup>(e)</sup> USD 5,551,000 5,544,158 1.7				
4.30%, 25/3/28 USD 900,000 881,269 0.3									
4.78%, 25/3/38 USD 475,000 455,668 0.1									

			Par Value	Fair Value	% of Fund
Enel SPA (Italy)					
3.375%, 24/11/81 <sup>(e)</sup>	EUR	5,650,000		\$5,907,055	1.8
The Southern Co. (United States)					
5.50%, 15/3/57 <sup>(e)</sup>	USD	5,989,000		5,752,000	1.8
				17,203,213	5.3
				185,000,494	56.7
TOTAL DEBT SECURITIES			310,945,392		95.3
SHORT-TERM INVESTMENTS: 2.0% [5.9% <sup>(g)</sup> ]					
REPURCHASE AGREEMENT: 2.0% [3.0%]					
Fixed Income Clearing Corporation <sup>(h)</sup>					
1.60%, dated 31/12/18, due 2/1/19, maturity value \$6,469,575	USD	6,469,000		6,469,000	2.0
TOTAL SHORT-TERM INVESTMENTS				6,469,000	2.0
TOTAL INVESTMENTS EXCLUDING FINANCIAL DERIVATIVE INSTRUMENTS: 97.3% [100.5%]					
			317,414,392		97.3

FINANCIAL DERIVATIVE INSTRUMENTS: 0.1% [0.5%]  
FUTURES CONTRACTS: (0.4%) [0.0%]

Description	Number of Contracts	Expiration Date	Notional Amount	Unrealised Gain (Loss)	% of Fund
Euro-Bobl					
Future—Short Position	11	7/3/19	\$ (1,670,182)	(504)	0.0
Euro-Bund					
Future—Short Position	118	7/3/19	(22,110,356)	(77,086)	0.0
Euro-Buxl					
Future—Short Position	21	7/3/19	(4,345,852)	(20,807)	0.0
Long-Term					
U.S. Treasury Bond—Short Position	76	20/3/19	(11,096,000)	(510,367)	(0.2)
UK-Gilt					
Future—Short Position	38	27/3/19	(5,965,713)	(11,170)	0.0
Ultra Long-Term					
U.S. Treasury Bond—Short Position	78	20/3/19	(12,531,188)	(664,247)	(0.2)
Net unrealised gain (loss) on futures contracts				(1,284,181)	(0.4)

CENTRALLY CLEARED INTEREST RATE SWAPS<sup>(i)</sup>: 0.0% [0.0%]

Notional Amount	Expiration Date	Fixed Rate	Upfront Payments (Receipts)	Unrealised Gain (Loss)	% of Fund	
Pay Fixed (Semi-Annually)/Receive USD LIBOR 3-Month (Quarterly)						
\$2,970,000	20/3/49	3.00%	(\$79,847)	\$21,743	(101,590)	0.0
Net unrealised gain (loss) on interest rate swaps					(101,590)	0.0

CURRENCY FORWARD CONTRACTS: 0.1% [(0.1%)]

Counterparty	Settle Date	Contract Amount		Unrealised Gain (Loss)	% of Fund
		Receive USD	Deliver Non-USD		
Contracts to sell EUR:					
Barclays	9/1/19	1,926,168	1,625,000	\$63,405	0.0
Citibank	9/1/19	715,084	600,000	27,294	0.0
Barclays	30/1/19	1,473,084	1,280,000	3,223	0.0
Barclays	13/2/19	2,996,744	2,600,000	7,595	0.0
Citibank	13/2/19	7,424,409	6,425,000	37,760	0.0
Citibank	13/2/19	1,224,572	1,050,000	17,415	0.0
Barclays	24/4/19	3,494,138	3,050,000	(33,727)	0.0
Barclays	24/4/19	1,435,740	1,250,000	(10,106)	0.0
Barclays	24/4/19	923,963	800,000	(1,378)	0.0
Citibank	24/4/19	11,015,865	9,450,000	85,267	0.1
Citibank	24/4/19	4,250,160	3,700,000	(29,545)	0.0
Contracts to sell GBP:					
Barclays	24/4/19	993,789	775,000	641	0.0
Citibank	24/4/19	425,594	325,000	9,113	0.0
Goldman Sachs	24/4/19	2,831,488	2,200,000	12,230	0.0
Unrealised gain on currency forward contracts				263,943	0.1
Unrealised loss on currency forward contracts				(74,756)	0.0
Net unrealised gain (loss) on currency forward contracts				189,187	0.1

CURRENCY FORWARD CONTRACTS—SHARE CLASS HEDGING: 0.4% [0.6%]

Counterparty	Settle Date	Contract Amount		Unrealised Gain (Loss)	% of Fund
		Receive USD	Deliver Non-USD		
Contracts to sell GBP:					
State Street	31/1/19	3,096,740	2,438,896	(16,186)	0.0
Counterparty	Settle Date	Deliver USD	Receive Non-USD	Unrealised Gain (Loss)	% of Fund
Contracts to buy EUR:					
State Street	31/1/19	1,612,084	1,407,863	4,740	0.0
State Street	31/1/19	1,612,178	1,407,945	4,741	0.0
State Street	31/1/19	7,870	6,873	23	0.0
State Street	31/1/19	7,870	6,873	23	0.0
Contracts to buy GBP:					
State Street	31/1/19	265,264,888	208,889,234	1,354,378	0.4
Unrealised gain on currency forward contracts—share class hedging				1,363,905	0.4
Unrealised loss on currency forward contracts—share class hedging				(16,186)	0.0
Net unrealised gain (loss) on currency forward contracts—share class hedging				1,347,719	0.4

TOTAL FINANCIAL DERIVATIVE INSTRUMENTS		151,135	0.1
TOTAL INVESTMENTS: 97.4% [101.0%]		317,565,527	97.4
OTHER ASSETS LESS LIABILITIES: 2.6% [(1.0%)]		8,650,090	2.6
NET ASSETS ATTRIBUTABLE TO REDEEMABLE SHAREHOLDERS: 100.0% [100.0%]		\$326,215,617	100.0

The accompanying notes are an integral part of the financial statements.

<sup>(a)</sup> Amounts in brackets represent allocations at 31 December 2017  
<sup>(b)</sup> Dual currency bond. Issued in USD but pays in ARS at maturity.  
<sup>(c)</sup> Inflation-linked  
<sup>(d)</sup> Amount includes 1.0% allocation to Credit Card  
<sup>(e)</sup> Hybrid security has characteristics of both a debt and equity security  
<sup>(f)</sup> Subsidiary (see below)  
<sup>(g)</sup> Amount includes 2.9% allocation to Commercial Paper  
<sup>(h)</sup> Repurchase agreement is collateralised by U.S. Treasury Note 1.375%, 31/8/20. Total collateral value is \$6,600,746.  
<sup>(i)</sup> CME is the clearinghouse and Goldman Sachs is the clearing broker

Debt securities are grouped by parent company unless otherwise noted. Actual securities may be issued by the listed parent company or one of its subsidiaries. In determining a parent company’s country designation, the Fund generally references the country of incorporation.

ARM: Adjustable Rate Mortgage  
CMBS: Commercial Mortgage-Backed Security  
CMO: Collateralised Mortgage Obligation  
DUS: Delegated Underwriting and Servicing  
GO: General Obligation  
RB: Revenue Bond  
REMIC: Real Estate Mortgage Investment Conduit

ARS: Argentine Peso  
COP: Colombian Peso  
EUR: Euro  
GBP: British Pound  
IDR: Indonesian Rupiah  
INR: Indian Rupee  
MXN: Mexican Peso  
PLN: Polish Zloty  
TRY: Turkish Lira  
USD: United States Dollar

ANALYSIS OF TOTAL ASSETS (unaudited)	% of Total Assets
Transferable securities dealt in on another regulated market	94.5
Short-term securities	2.0
Over the counter financial derivative instruments	0.5
Other assets	3.0
	<u>100.0</u>

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STATEMENT OF FINANCIAL POSITION

U.S. Dollars (\$)	Note	Global Stock Fund		International Stock Fund	
		31 December 2018	31 December 2017	31 December 2018*	31 December 2017
ASSETS					
Cash	1(k)	\$432,726	\$813	\$4,333,895	\$2,430
Cash held at broker	1(e,f,g)	8,423,474	6,528,379	—	—
Financial assets at fair value:	1(b)				
Investments at fair value, excluding financial derivative instruments		3,810,233,357	3,172,521,171	—	77,698,999
Unrealised gain on futures contracts	1(e)	349,556	852,900	—	—
Unrealised gain on interest rate swaps	1(f)	—	—	—	—
Unrealised gain on currency forward contracts	1(g,m)	3,204,942	196,893	—	8,700
Debtors:					
Dividends receivable		6,539,300	3,135,286	—	121,616
Interest receivable		—	—	—	—
Receivable for investments sold		3,979,793	45,813,888	—	516,905
Receivable for fund shares subscribed		2,916,665	2,773,607	—	29,644
Receivable from Investment Manager	9	153,204	—	—	38,659
TOTAL ASSETS		3,836,233,017	3,231,822,937	4,333,895	78,416,953
LIABILITIES					
Cash received from broker	1(g)	(3,050,000)	—	—	—
Financial liabilities at fair value:	1(b)				
Unrealised loss on futures contracts	1(e)	—	—	—	—
Unrealised loss on interest rate swaps	1(f)	—	—	—	—
Unrealised loss on currency forward contracts	1(g,m)	(2,170,348)	(10,016,223)	—	(365,618)
Creditors, amounts falling due within one year:					
Bank overdraft	1(k)	—	—	—	—
Payable for investments purchased		(7,634,390)	(35,846,560)	—	(871,994)
Payable for fund shares redeemed		(2,678,913)	(139,061)	(4,333,895)	(550,958)
Distribution payable		(1,046,388)	(301,512)	—	—
Management fee payable	9	(1,971,086)	(3,132,996)	—	(74,065)
Deferred capital gains tax		(1,865,343)	(1,292,930)	—	(36,027)
Other accrued expenses		(467,421)	(420,248)	—	(100,983)
TOTAL LIABILITIES		(20,883,889)	(51,149,530)	(4,333,895)	(1,999,645)
NET ASSETS ATTRIBUTABLE TO REDEEMABLE SHAREHOLDERS					
	1(l)	\$3,815,349,128	\$3,180,673,407	\$—	\$76,417,308

\* With effect from 6 December 2018, all outstanding shares of the International Stock Fund were compulsorily redeemed and the Fund ceased trading. Accordingly, the International Stock Fund’s financial statements have been prepared on a non-going concern basis.

On behalf of the Board of Directors

/s/ William Strickland  
Director

/s/ Rosemary Quinlan  
Director

28 March 2019

The accompanying notes are an integral part of the financial statements.

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U.S. Stock Fund		Global Bond Fund		Total Company	
31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
\$– 6,308,347	\$1,143 867,263	\$1,319 5,257,578	\$2,356 938,458	\$4,767,940 19,989,399	\$6,742 8,334,100
1,731,554,591	928,107,354	317,414,392	341,244,327	5,859,202,340	4,519,571,851
–	284,175	–	266,731	349,556	1,403,806
–	–	–	5,746	–	5,746
45,061	42,400	1,627,848	2,219,820	4,877,851	2,467,813
1,776,178	740,175	–	–	8,315,478	3,997,077
–	–	4,694,932	3,806,967	4,694,932	3,806,967
144,910	677,537	–	1,480,006	4,124,703	48,488,336
9,790,462	25,825,441	38,159	2,000	12,745,286	28,630,692
90,833	1,408	78,757	128,378	322,794	168,445
1,749,710,382	956,546,896	329,112,985	350,094,789	5,919,390,279	4,616,881,575
–	–	(400,000)	(2,970,000)	(3,450,000)	(2,970,000)
(1,046,557)	–	(1,284,181)	(26,719)	(2,330,738)	(26,719)
–	–	(101,590)	(50,497)	(101,590)	(50,497)
(3,277)	(231)	(90,942)	(601,142)	(2,264,567)	(10,983,214)
(1,939,630)	–	–	–	(1,939,630)	–
–	(212,632)	(613,849)	(6,396,803)	(8,248,239)	(43,327,989)
(11,285,916)	(2,023,862)	–	–	(18,298,724)	(2,713,881)
(810,519)	(501,957)	(4,613)	(4,821)	(1,861,520)	(808,290)
(903,899)	(891,812)	(139,241)	(279,783)	(3,014,226)	(4,378,656)
–	–	(35,967)	(19,852)	(1,901,310)	(1,348,809)
(283,123)	(187,578)	(226,985)	(180,994)	(977,529)	(889,803)
(16,272,921)	(3,818,072)	(2,897,368)	(10,530,611)	(44,388,073)	(67,497,858)
<u>\$1,733,437,461</u>	<u>\$952,728,824</u>	<u>\$326,215,617</u>	<u>\$339,564,178</u>	<u>\$5,875,002,206</u>	<u>\$4,549,383,717</u>



STATEMENT OF COMPREHENSIVE INCOME

U.S. Dollars (\$)		Global Stock Fund		International Stock Fund	
		year ended		year ended	
		Note	31 December 2018	31 December 2017	31 December 2018*
<b>INCOME</b>					
Dividends	1(i)	\$70,731,727	\$48,800,156	\$1,569,635	\$1,633,121
Interest on cash and cash held at broker	1(i)	66,791	29,872	1,100	18
Interest on investments at fair value	1(i)	157,907	38,045	1,581	556
		<u>70,956,425</u>	<u>\$48,868,073</u>	<u>1,572,316</u>	<u>\$1,633,695</u>
<b>Net gain (loss) on investments at fair value</b>	1(b,h)				
<b>Net realised gain (loss) on:</b>					
Investments		222,980,519	165,824,570	(1,412,864)	3,884,392
Futures contracts	1(e)	(10,168,523)	12,125,535	(609,026)	230,296
Interest rate swaps	1(f)	—	—	—	—
Currency forward contracts	1(g)	(8,288,862)	(975,203)	(190,376)	(29,652)
Currency forward contracts – share class hedging	1(m)	(84,730)	4,091	—	—
Foreign currency transactions		(864,852)	(240,703)	32,087	35,438
<b>Net change in unrealised gain (loss) on:</b>					
Investments		(775,624,247)	375,272,085	(6,108,696)	11,654,213
Futures contracts	1(e)	(503,344)	1,216,109	—	—
Interest rate swaps	1(f)	—	—	—	—
Currency forward contracts	1(g)	10,853,208	(18,450,103)	356,918	(747,168)
Currency forward contracts – share class hedging	1(m)	716	3,440	—	—
Foreign currency translation		<u>(42,387)</u>	<u>55,293</u>	<u>(1,766)</u>	<u>7,805</u>
<b>Net gain (loss) on investments at fair value</b>		<u>(561,742,502)</u>	<u>534,835,114</u>	<u>(7,933,723)</u>	<u>15,035,324</u>
<b>TOTAL INCOME (LOSS)</b>		<u>(490,786,077)</u>	<u>583,703,187</u>	<u>(6,361,407)</u>	<u>16,669,019</u>
<b>EXPENSES</b>					
Management fees	9	(20,181,580)	(17,562,165)	(326,110)	(435,703)
Depositary and administration fees		(1,751,754)	(1,628,572)	(65,077)	(74,857)
Transfer agency fees		(127,357)	(120,526)	(19,315)	(20,909)
Professional services		(93,040)	(102,147)	(81,257)	(74,844)
Directors’ fees	9	(23,530)	(21,250)	(23,531)	(21,250)
Other expenses		<u>(490,814)</u>	<u>(347,380)</u>	<u>(86,400)</u>	<u>(86,765)</u>
<b>TOTAL OPERATING EXPENSES, before reimbursement</b>		<u>(22,668,075)</u>	<u>(19,782,040)</u>	<u>(601,690)</u>	<u>(714,328)</u>
Expense reimbursement	9	<u>699,305</u>	<u>77</u>	<u>248,533</u>	<u>206,009</u>
<b>TOTAL OPERATING EXPENSES, after reimbursement</b>		<u>(21,968,770)</u>	<u>(19,781,963)</u>	<u>(353,157)</u>	<u>(508,319)</u>
<b>OPERATING PROFIT (LOSS)</b>		<u>(512,754,847)</u>	<u>563,921,224</u>	<u>(6,714,564)</u>	<u>16,160,700</u>
<b>Finance costs (excluding fund share transactions)</b>					
Distributions to redeemable shareholders	1(i)	<u>(3,282,867)</u>	<u>(1,033,830)</u>	<u>—</u>	<u>—</u>
<b>PROFIT (LOSS) AFTER DISTRIBUTIONS AND BEFORE TAX</b>		<u>(516,037,714)</u>	<u>562,887,394</u>	<u>(6,714,564)</u>	<u>16,160,700</u>
Withholding tax	3	(10,383,273)	(8,101,773)	(134,149)	(146,583)
Capital gains tax	3	<u>(666,413)</u>	<u>(1,292,918)</u>	<u>11,550</u>	<u>(36,514)</u>
<b>PROFIT (LOSS) AFTER DISTRIBUTIONS AND TAX</b>		<u>(527,087,400)</u>	<u>553,492,703</u>	<u>(6,837,163)</u>	<u>15,977,603</u>
<b>INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE SHAREHOLDERS RESULTING FROM OPERATIONS</b>					
		<u>(\$527,087,400)</u>	<u>\$553,492,703</u>	<u>(\$6,837,163)</u>	<u>\$15,977,603</u>

\* With effect from 6 December 2018, all outstanding shares of the International Stock Fund were compulsorily redeemed and the Fund ceased trading. Accordingly, the International Stock Fund’s financial statements have been prepared on a non-going concern basis.

The accompanying notes are an integral part of the financial statements.

U.S. Stock Fund		Global Bond Fund		Total Company	
year ended		year ended		year ended	
31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
\$25,705,382	\$13,864,736	\$288,895	\$59,015	\$98,295,639	\$64,357,028
21,469	3,397	26,421	235	115,781	33,522
130,881	10,686	16,189,446	4,049,263	16,479,815	4,098,550
25,857,732	\$13,878,819	16,504,762	\$4,108,513	114,891,235	\$68,489,100
50,415,737	20,883,024	(2,966,394)	212,401	269,016,998	190,804,387
(671,199)	3,954,760	1,417,160	(375,178)	(10,031,588)	15,935,413
–	–	1,119,147	(111,517)	1,119,147	(111,517)
–	–	(48,644)	(169,043)	(8,527,882)	(1,173,898)
(639,423)	(23,978)	(20,848,085)	2,221,864	(21,572,238)	2,201,977
23,008	(39,135)	(118,159)	(19,773)	(927,916)	(264,173)
(213,855,724)	90,037,148	(20,165,982)	2,799,966	(1,015,754,649)	479,763,412
(1,330,732)	392,489	(1,524,193)	208,468	(3,358,269)	1,817,066
–	–	(56,839)	50,162	(56,839)	50,162
–	–	596,752	(652,947)	11,806,878	(19,850,218)
(385)	42,169	(678,524)	2,000,525	(678,193)	2,046,134
(24,398)	670	(47,851)	11,463	(116,402)	75,231
(166,083,116)	115,247,147	(43,321,612)	6,176,391	(779,080,953)	671,293,976
(140,225,384)	129,125,966	(26,816,850)	10,284,904	(664,189,718)	739,783,076
(8,672,142)	(4,202,411)	(1,771,445)	(517,486)	(30,951,277)	(22,717,765)
(698,252)	(377,656)	(249,524)	(121,664)	(2,764,607)	(2,202,749)
(262,194)	(185,672)	(50,621)	(49,525)	(459,487)	(376,632)
(87,973)	(94,080)	(98,486)	(111,385)	(360,756)	(382,456)
(23,531)	(21,250)	(23,530)	(21,250)	(94,122)	(85,000)
(260,154)	(174,934)	(305,571)	(156,044)	(1,142,939)	(765,123)
(10,004,246)	(5,056,003)	(2,499,177)	(977,354)	(35,773,188)	(26,529,725)
506,263	153,190	905,457	484,420	2,359,558	843,696
(9,497,983)	(4,902,813)	(1,593,720)	(492,934)	(33,413,630)	(25,686,029)
(149,723,367)	124,223,153	(28,410,570)	9,791,970	(697,603,348)	714,097,047
(2,176,073)	(1,392,439)	(11,895,933)	(1,627,080)	(17,354,873)	(4,053,349)
(151,899,440)	122,830,714	(40,306,503)	8,164,890	(714,958,221)	710,043,698
(6,470,775)	(3,697,188)	(233,867)	(42,979)	(17,222,064)	(11,988,523)
–	–	(16,115)	(19,852)	(670,978)	(1,349,284)
(158,370,215)	119,133,526	(40,556,485)	8,102,059	(732,851,263)	696,705,891
<u>(\$158,370,215)</u>	<u>\$119,133,526</u>	<u>(\$40,556,485)</u>	<u>\$8,102,059</u>	<u>(\$732,851,263)</u>	<u>\$696,705,891</u>

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE SHAREHOLDERS

		Global Stock Fund		International Stock Fund	
		year ended		year ended	
U.S. Dollars (\$)	Note	31 December 2018	31 December 2017	31 December 2018*	31 December 2017
Increase (decrease) in net assets attributable to redeemable shareholders resulting from operations					
		(\$527,087,400)	\$553,492,703	(\$6,837,163)	\$15,977,603
FUND SHARE TRANSACTIONS					
Proceeds from fund shares subscribed	5	1,639,871,628	952,869,701	1,784,097	16,597,220
Cost of fund shares redeemed	5	(478,108,507)	(785,544,679)	(71,364,242)	(23,520,439)
Net increase (decrease) from fund share transactions		1,161,763,121	167,325,022	(69,580,145)	(6,923,219)
Total increase (decrease) in net assets attributable to redeemable shareholders					
		634,675,721	720,817,725	(76,417,308)	9,054,384
NET ASSETS ATTRIBUTABLE TO REDEEMABLE SHAREHOLDERS					
Beginning of year		3,180,673,407	2,459,855,682	76,417,308	67,362,924
End of year		\$3,815,349,128	\$3,180,673,407	\$—	\$76,417,308

\* With effect from 6 December 2018, all outstanding shares of the International Stock Fund were compulsorily redeemed and the Fund ceased trading. Accordingly, the International Stock Fund’s financial statements have been prepared on a non-going concern basis.

U.S. Stock Fund		Global Bond Fund		Total Company	
year ended		year ended		year ended	
31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
(\$158,370,215)	\$119,133,526	(\$40,556,485)	\$8,102,059	(\$732,851,263)	\$696,705,891
1,283,081,974	520,913,707	57,982,505	277,595,061	2,982,720,204	1,767,975,689
<u>(344,003,122)</u>	<u>(225,655,545)</u>	<u>(30,774,581)</u>	<u>(189,591)</u>	<u>(924,250,452)</u>	<u>(1,034,910,254)</u>
939,078,852	295,258,162	27,207,924	277,405,470	2,058,469,752	733,065,435
780,708,637	414,391,688	(13,348,561)	285,507,529	1,325,618,489	1,429,771,326
952,728,824	538,337,136	339,564,178	54,056,649	4,549,383,717	3,119,612,391
<u>\$1,733,437,461</u>	<u>\$952,728,824</u>	<u>\$326,215,617</u>	<u>\$339,564,178</u>	<u>\$5,875,002,206</u>	<u>\$4,549,383,717</u>

STATEMENT OF CASH FLOWS

U.S. Dollars (\$)	Global Stock Fund		International Stock Fund	
	year ended		year ended	
	31 December 2018	31 December 2017	31 December 2018*	31 December 2017
<b>Cash flows from operating activities</b>				
Increase (decrease) in net assets attributable to redeemable shareholders resulting from operations	(\$527,087,400)	\$553,492,703	(\$6,837,163)	\$15,977,603
Adjustments for:				
Dividends and interest	(70,956,425)	(48,868,073)	(1,572,316)	(1,633,695)
Distributions to redeemable shareholders	3,282,867	1,033,830	—	—
Withholding tax	10,383,273	8,101,773	134,149	146,583
Capital gains tax	666,413	1,292,918	(11,550)	36,514
Changes in:				
Cash held at broker	(1,895,095)	(4,167,662)	—	—
Cash received from broker	3,050,000	—	—	—
Financial assets at fair value	(640,216,891)	(722,897,336)	77,707,699	(10,384,557)
Debtors, excluding dividends receivable, interest receivable, and receivable for fund shares subscribed	41,680,891	(44,423,121)	555,564	(456,772)
Financial liabilities at fair value	(7,845,875)	9,653,014	(365,618)	365,618
Creditors, excluding payable for fund shares redeemed, distribution payable, and deferred capital gains tax	(29,326,907)	35,497,540	(1,047,042)	888,225
	(1,218,265,149)	(211,284,414)	68,563,723	4,939,519
Dividends and interest received	57,169,138	40,486,060	1,559,783	1,511,169
Capital gains tax paid	(94,000)	—	(24,477)	(487)
Net cash provided by (used in) operating activities	(1,161,190,011)	(170,798,354)	70,099,029	6,450,201
<b>Cash flows from financing activities</b>				
Distributions to redeemable shareholders	(2,537,991)	(925,883)	—	—
Proceeds from fund shares subscribed	1,639,728,570	957,843,710	1,813,741	16,567,576
Cost of fund shares redeemed	(475,568,655)	(786,745,861)	(67,581,305)	(23,017,069)
Net cash provided by (used in) financing activities	1,161,621,924	170,171,966	(65,767,564)	(6,449,493)
<b>Net increase (decrease) in cash</b>	431,913	(626,388)	4,331,465	708
Cash at beginning of year	813	627,201	2,430	1,722
<b>Cash at end of year</b>	<b>\$432,726</b>	<b>\$813</b>	<b>\$4,333,895</b>	<b>\$2,430</b>

\* With effect from 6 December 2018, all outstanding shares of the International Stock Fund were compulsorily redeemed and the Fund ceased trading. Accordingly, the International Stock Fund’s financial statements have been prepared on a non-going concern basis.

The accompanying notes are an integral part of the financial statements.

U.S. Stock Fund		Global Bond Fund		Total Company	
year ended		year ended		year ended	
31 December 2018	31 December 2017	31 December 2018	31 December 2017	31 December 2018	31 December 2017
(\$158,370,215)	\$119,133,526	(\$40,556,485)	\$8,102,059	(\$732,851,263)	\$696,705,891
(25,857,732)	(13,878,819)	(16,504,762)	(4,108,513)	(114,891,235)	(68,489,100)
2,176,073	1,392,439	11,895,933	1,627,080	17,354,873	4,053,349
6,470,775	3,697,188	233,867	42,979	17,222,064	11,988,523
—	—	16,115	19,852	670,978	1,349,284
(5,441,084)	(231,996)	(4,319,120)	(614,764)	(11,655,299)	(5,014,422)
—	—	(2,570,000)	2,970,000	480,000	2,970,000
(803,165,723)	(391,036,017)	24,694,384	(289,694,612)	(1,340,980,531)	(1,414,012,522)
443,202	14,791	1,529,627	(1,261,711)	44,209,284	(46,126,813)
1,049,603	(108,083)	798,355	557,726	(6,363,535)	10,468,275
(105,000)	(560,726)	(5,877,505)	5,744,093	(36,356,454)	41,569,132
(982,800,101)	(281,577,697)	(30,659,591)	(276,615,811)	(2,163,161,118)	(764,538,403)
18,350,954	9,893,673	15,382,930	891,092	92,462,805	52,781,994
—	—	—	—	(118,477)	(487)
(964,449,147)	(271,684,024)	(15,276,661)	(275,724,719)	(2,070,816,790)	(711,756,896)
(1,867,511)	(1,208,074)	(11,896,141)	(1,625,276)	(16,301,643)	(3,759,233)
1,299,116,953	498,841,277	57,946,346	277,593,061	2,998,605,610	1,750,845,624
(334,741,068)	(225,949,024)	(30,774,581)	(189,591)	(908,665,609)	(1,035,901,545)
962,508,374	271,684,179	15,275,624	275,778,194	2,073,638,358	711,184,846
(1,940,773)	155	(1,037)	53,475	2,821,568	(572,050)
1,143	988	2,356	(51,119)	6,742	578,792
<u>(\$1,939,630)</u>	<u>\$1,143</u>	<u>\$1,319</u>	<u>\$2,356</u>	<u>\$2,828,310</u>	<u>\$6,742</u>

## 1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated. With effect from 6 December 2018, all outstanding shares of the International Stock Fund were compulsorily redeemed and the Fund ceased trading. Accordingly, the International Stock Fund's financial statements have been prepared on a non-going concern basis.

### (a) Basis of Preparation

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union, the provisions of the Companies Act, the UCITS Regulations, and the Central Bank UCITS Regulations. The financial statements are prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss. Certain prior year comparative figures have been reclassified to conform to the current year presentation.

The preparation of financial statements in conformity with IFRSs requires the Directors and their delegates to make certain accounting estimates and assumptions. Actual results may differ from those estimates and assumptions. It also requires the Directors and their delegates to exercise judgment in the process of applying the Company's accounting policies. Critical accounting estimates and judgments are set forth in Note 2.

#### (i) Standards, amendments, and interpretations effective 1 January 2018

IFRS 9 "Financial Instruments" ("IFRS 9") became effective for annual periods beginning on or after 1 January 2018. The standard replaces the provisions of IAS 39 that relate to the classification, measurement, and derecognition of financial instruments. Under IFRS 9, on initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income, or fair value through profit or loss. The classification of financial assets is generally driven by the business model for managing the financial asset and the contractual cash flow characteristics of the financial asset. Under IFRS 9, financial liabilities that are held for trading will continue to be measured at fair value through profit or loss. As all of the Company's financial instruments are either held for trading and/or managed and evaluated on a fair value basis, they have remained classified as measured at fair value through profit or loss upon adoption of IFRS 9. Therefore, the adoption of IFRS 9 has not resulted in any change to the classification or measurement of Company's financial instruments.

IFRS 15 "Revenue from Contracts with Customers" became effective for annual periods beginning on or after 1 January 2018. IFRS 15 primarily impacts management companies, and has not had a significant effect on the Company's financial statements. There are no other accounting standards, amendments to existing standards, and/or interpretations that are effective for annual periods beginning on 1 January 2018 that have had a material effect on the Company's financial statements.

#### (ii) Standards, amendments, and interpretations effective after 1 January 2018 and not early adopted

In addition to the above, a number of new accounting standards, amendments to existing standards, and/or

interpretations are effective for annual periods beginning after 1 January 2018 and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the Company's financial statements.

### (b) Financial Instruments at Fair Value

#### (i) Classification

All instruments listed in the Funds' Portfolios of Investments are classified as financial assets or financial liabilities at fair value.

#### (ii) Recognition/Derecognition of Investments

Purchases and sales of investments are recognised on trade date, the date on which a Fund commits to purchase or sell the investment. Investments are initially recognised at fair value. Subsequent to initial recognition, all investments continue to be classified at fair value, and the changes in fair value are recognised as unrealised gain (loss) on investments in the Statement of Comprehensive Income.

Investments are derecognised when the rights to receive cash flows from the investments have expired or a Fund has transferred substantially all risks and rewards of ownership. Realised gains and losses on sales of investments are calculated based on the average cost of the investment in local currency and are recognised as realised gain (loss) on investments in the Statement of Comprehensive Income.

#### (iii) Determination of Net Asset Value

For the purpose of determining dealing prices, the net asset value of each Fund and/or each share class is calculated as of the normally scheduled close of trading on the New York Stock Exchange ("NYSE"), normally 4 p.m. Eastern Time, on each Dealing Day as set out in the Prospectus.

#### (iv) Fair Value Estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value of financial assets and liabilities traded in active markets is generally based on quoted market prices at the close of trading on the reporting date. In circumstances where a price is not within the bid-ask spread, Dodge & Cox (the "Investment Manager") will determine the point within the bid-ask spread that is most representative of fair value. The fair value of financial assets and liabilities that are not traded in active markets is determined using valuation techniques.

Listed securities are generally valued using the official quoted close price or the last sale price on the exchange that is determined to be the primary market for the security. Equity-linked notes are valued using prices received from independent pricing services which utilise market quotes from underlying reference instruments. Debt securities and non-exchange traded derivatives are valued using prices received from independent pricing services which utilise dealer quotes, recent transaction data, pricing models, and other inputs to arrive at market-based valuations. Pricing models may consider quoted prices for similar securities, interest rates, cash flows (including prepayment speeds), and credit risk. Exchange-traded derivatives are valued at



the settlement price determined by the relevant exchange. Currency forward contracts are valued based on the prevailing forward exchange rates of the underlying currencies. Other financial instruments for which market quotes are readily available are valued at fair value.

If market quotations or market-based valuations are not readily available or if normal valuation procedures produce valuations that are deemed unreliable or inappropriate under the circumstances existing at the time, the investment will be valued at such value as is certified with care and good faith as the probable realisable value of the investment by a competent professional person appointed by the Directors and approved for such purpose by the Depositary, which may include the Investment Manager. The Investment Manager has established a pricing committee (the "Pricing Committee") that is comprised of representatives from Treasury, Legal, Compliance, and Operations. The Pricing Committee oversees the Investment Manager's valuation process, including determining the fair value of securities and other investments when necessary. The Pricing Committee considers relevant indications of value that are reasonably available to it in determining the fair value assigned to a particular security, such as the value of similar financial instruments, trading volumes, contractual restrictions on disposition, related corporate actions, and changes in economic conditions. In doing so, the Pricing Committee employs various methods for calibrating fair valuation approaches, including a regular review of key inputs and assumptions, backtesting, and review of any related market activity.

As trading in securities on most non-U.S. exchanges is normally completed before the close of the NYSE, the value of many non-U.S. securities can change by the time a Fund's securities are valued. To address these changes, the Funds may utilise adjustment factors provided by an independent pricing service to systematically value non-U.S. securities at fair value. These adjustment factors are based on statistical analyses of subsequent movements and changes in U.S. markets and financial instruments trading in U.S. markets that represent non-U.S. securities or baskets of securities.

Valuing securities through a fair value determination involves greater reliance on judgment than valuation of securities based on readily available market quotations. In some instances, lack of information and uncertainty as to the significance of information may lead to a conclusion that a prior valuation is the best indication of a security's value. When fair value pricing is employed, a Fund's value for a security may differ from quoted or published prices for the same security.

#### **(c) Equity-Linked Notes**

Equity-linked notes are structured securities linked to underlying reference equity securities. Changes in the market value of equity-linked notes are recorded as unrealised gain (loss) on investments in the Statement of Comprehensive Income. Realised gains and losses on equity-linked notes are recorded in the Statement of Comprehensive Income upon the sale or maturity of the notes. The risks of investing in

equity-linked notes include unfavorable price movements in the underlying securities and the credit risk of the issuing financial institution. Equity-linked notes may be more volatile and less liquid than other investments held by the Funds.

#### **(d) Repurchase Agreements**

Each Fund enters into repurchase agreements, which involve the purchase of securities from a counterparty. As part of the transaction, the counterparty agrees to repurchase the underlying securities at the same price, plus specified interest, and at an agreed-upon date. Repurchase agreements are secured by collateral, typically U.S. government or agency securities, as disclosed in each Fund's Portfolio of Investments. Repurchase agreements are used as short-term cash management vehicles.

#### **(e) Futures Contracts**

Futures contracts involve an obligation to purchase or sell (depending on whether a Fund has entered a long or short futures contract, respectively) an asset at a future date, at a price set at the time of the contract. Upon entering into a futures contract, a Fund is required to deposit an amount of cash or liquid assets (referred to as initial margin) in a segregated account with the clearing broker. Subsequent payments (referred to as variation margin) to and from the clearing broker are made on a daily basis based on changes in the market value of each futures contract. Changes in the market value of open futures contracts are recorded as unrealised gain (loss) in the Statement of Comprehensive Income. Realised gains and losses on futures contracts are recorded in the Statement of Comprehensive Income at the closing or expiration of the contracts. Cash deposited with a clearing broker is recorded as cash held at broker in the Statement of Financial Position. Investments in futures contracts may involve certain risks, which may be different from, and potentially greater than, those of the underlying securities. To the extent a Fund uses futures contracts, it is exposed to additional volatility and potential losses resulting from leverage. U.S. Treasury, euro government bond, and UK-Gilt futures contracts are used in connection with the management of portfolio interest rate exposure. Equity index futures contracts are used to help maintain a more fully invested portfolio.

#### **(f) Interest Rate Swaps**

Interest rate swaps are agreements that obligate two parties to exchange a series of cash flows at specified payment dates calculated by reference to specified interest rates, such as an exchange of floating rate payments for fixed rate payments. Upon entering into a centrally cleared interest rate swap, a Fund is required to post an amount of cash or liquid assets (referred to as initial margin) in a segregated account with the clearing broker. Subsequent payments (referred to as variation margin) to and from the clearing broker are made on a daily basis based on changes in the market value of each interest rate swap. Changes in the market value of open interest rate swaps are recorded as unrealised gain (loss) in the Statement of Comprehensive Income. Realised gains and losses on interest rate swaps are recorded in the Statement of Comprehensive Income, both upon the exchange of cash flows on each specified payment date and upon the closing or expiration of the swaps. Cash deposited with a clearing broker is recorded as cash held at broker in the Statement of Financial Position.

## NOTES TO FINANCIAL STATEMENTS

Unrealised gain (loss) on interest rate swaps includes interest receivable/payable. Investments in interest rate swaps may involve certain risks including unfavorable changes in interest rates, or a default or failure by the clearing broker or clearinghouse. Interest rate swaps are used in connection with the management of portfolio interest rate exposure.

### **(g) Currency Forward Contracts**

Currency forward contracts, over-the-counter derivatives ("OTC Derivatives"), represent an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract. Changes in the value of open contracts are recorded as unrealised gain (loss) in the Statement of Comprehensive Income. When a currency forward contract is closed, a Fund records a realised gain (loss) in the Statement of Comprehensive Income equal to the difference between the value at the time the contract was opened and the value at the time it was closed. Losses from these transactions may arise from unfavorable changes in currency values or if the counterparties do not perform under a contract's terms. Cash collateral pledged or held by the Funds for currency forward contracts is recorded as cash held at/(received from) broker in the Statement of Financial Position. Currency forward contracts are used to hedge direct and/or indirect currency exposure associated with certain portfolio positions, or as a substitute for direct investment in a market. In addition, currency forward contracts are used for share class hedging purposes.

### **(h) Foreign Currency Translation**

Each Fund's (and the Company's) functional and presentation currency is the U.S. dollar. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities, including investments at fair value, are translated into the functional currency at the prevailing exchange rates as of the valuation date. Reported realised and unrealised gain (loss) on investments in the Statement of Comprehensive Income includes foreign currency gain (loss) related to investment transactions. Reported realised and unrealised gain (loss) on foreign currency transactions and translation in the Statement of Comprehensive Income include the following: disposing/holding of foreign currency, the difference between the trade and settlement dates on securities transactions and fund share transactions, the difference between the accrual and payment dates on dividends and interest, and currency losses on the purchase of foreign currency in certain countries that impose taxes on such transactions.

### **(i) Income, Expenses, and Distributions**

Dividend income and corporate action transactions are typically recorded on the ex-dividend date. Dividends characterised as return of capital are recorded as a reduction to the cost of investments and/or realised gain. Interest income is recognised using the effective interest method. Interest on cash and cash held at broker includes interest from cash balances. Interest on investments at fair value includes interest from debt securities and repurchase agreements.

Expenses are recorded on an accrual basis, with the exception of transaction costs relating to the purchase or sale of financial instruments which are charged as incurred. Certain expenses of the Company can be directly attributed to a specific Fund. Expenses which cannot be directly

attributed are allocated among the Funds using methodologies determined by the nature of the expense.

Distributions from Distributing Share Classes are recorded on the ex-dividend date and reported as a finance cost in the Statement of Comprehensive Income. Details of the Company's distribution policy are set forth in Note 14.

### **(j) Transaction Costs**

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument. When a financial asset or financial liability is recognised initially, the Company measures it at its fair value through profit or loss, plus costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Transaction costs on the purchase or sale of financial assets or financial liabilities are expensed as incurred and included in net gain (loss) on investments at fair value in the Statement of Comprehensive Income. Separately identifiable transaction costs are disclosed in Note 12. Custody and sub-custody transaction costs are included in depositary and administration fees in the Statement of Comprehensive Income and are not separately disclosed.

### **(k) Cash and Bank Balances**

Cash and bank balances are generally held with State Street Bank and Trust Company (United States) and are stated at face value. Cash includes U.S. dollars and foreign currency. Bank overdrafts, if any, are classified as liabilities.

At 31 December 2018, cash includes a balance of \$4,333,895 held in a single, Company-level umbrella cash account with Bank of America. The balance is attributable to the International Stock Fund and relates to a redemption paid to a shareholder that was subsequently returned. The balance was repaid to the shareholder on 5 February 2019.

### **(l) Redeemable Shares**

Redeemable shares can be redeemed at a shareholder's option and are classified as financial liabilities. Redeemable shares can be put back to a Fund on any Dealing Day for cash equal to a proportionate share of the net asset value of the relevant share class. The liability for redeemable shares is presented in the Statement of Financial Position as "net assets attributable to redeemable shareholders".

### **(m) Hedged Share Classes**

Hedged share classes, indicated by the inclusion of "(H)" in the name of the share class, seek to provide shareholders with performance returns similar to the share class denominated in a Fund's Base Currency. The Investment Manager may employ techniques, generally currency forward contracts, to minimise these share classes' exposure to changes in exchange rates between a Fund's Base Currency and the share class currency. While the Investment Manager may attempt to hedge against such currency exposure, there can be no guarantee that the value of the hedged share classes will not be affected by the value of a Fund's Base Currency relative to the share class currency. Any costs and gains or losses related to share class hedging transactions are borne by the relevant hedged share classes. The use of share class hedging strategies may substantially limit shareholders in hedged share classes from benefiting if the share class currency falls against a Fund's Base Currency. The costs of

NOTES TO FINANCIAL STATEMENTS

administering class-level hedging are included in other expenses in the Statement of Comprehensive Income.

(n) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Valuation

Valuation procedures may involve certain estimation methods and valuation models when market quotations or market-based valuations are not available or are unrepresentative. Detailed information on valuation procedures is set forth in Note 1(b)(iv).

Functional Currency

The Directors consider the U.S. dollar the currency that most faithfully represents the economic effect of the underlying transactions, events, and conditions of each Fund. The U.S. dollar is the currency in which each Fund (and the Company) measures its performance and reports its results.

3. TAXATION

Under current Irish law and practice, the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended. Accordingly, it is not generally chargeable to Irish tax on its income or capital gains. However, Irish tax can arise on the happening of a chargeable event in the Company. A chargeable event includes any distribution payment to shareholders, any encashment, repurchase, redemption, transfer, or cancellation of shares, and the holding of shares at the end of each eight-year period beginning with the acquisition of such shares. No Irish tax will arise in respect of chargeable events in respect of a shareholder who is an Exempt Irish Resident or who is neither resident nor ordinarily resident in Ireland for tax purposes at the time of the chargeable event, provided, in each case, that an appropriate valid declaration in accordance with the provisions of the Taxes Consolidation Act, 1997 (as amended) is held by the Company.

The Funds are subject to taxes which may be imposed by certain countries in which the Funds invest. The Funds endeavor to record such taxes based on applicable tax law. Withholding taxes are incurred on certain dividends or receipts and are accrued at the time the associated dividend or interest income is recorded. Capital gains taxes are incurred upon the disposition of certain appreciated securities and accrued based on unrealised gains in those securities. The Funds file withholding tax reclaims in certain jurisdictions to recover a portion of amounts previously withheld. The Funds record a reclaim receivable based on, among other things, a jurisdiction’s legal obligation to pay reclaims as well as payment history and market convention.

4. EXCHANGE RATES

The exchange rates used by the Funds for conversion to U.S. dollars, the functional currency, at 31 December were:

	2018	2017
Argentine Peso	37.6600	18.6250
British Pound	0.7846	0.7407
Canadian Dollar	1.3652	1.2570
Chinese Renminbi	6.8683	6.5140
Colombian Peso	3,247.5000	2,984.4400
Euro	0.8728	0.8334
Hong Kong Dollar	7.8305	7.8129
Indian Rupee	69.8150	63.8275
Indonesian Rupiah	14,380.0000	13,567.5000
Japanese Yen	109.6050	112.6750
Mexican Peso	19.6518	19.6625
Polish Zloty	3.7424	3.4810
Russian Ruble	69.6750	57.6250
South African Rand	14.3875	12.3725
South Korean Won	1,115.8000	1,070.5500
Swedish Krona	8.8630	8.2031
Swiss Franc	0.9829	0.9745
Thai Baht	32.5600	32.5900
Turkish Lira	5.2925	3.7905

5. SHARE CAPITAL

Redeemable Shares

The Directors are empowered to issue up to 500 billion shares of no par value in the Company at the net asset value per share on such terms as they see fit.

Each of the shares entitles the holder to participate equally on a pro rata basis in the net assets and dividends of a Fund attributable to such shares and to attend and vote at meetings of the Company and of the Fund represented by those shares except in cases where a dividend is declared prior to the holder’s subscription into a Fund. No class of shares confers on the holder thereof any preferential or preemptive rights or any rights to participate in the profits and dividends of any other class of shares or any voting rights in relation to matters relating solely to any other class of shares.

The Company has a minimum capital requirement of €300,000. The Administrator monitors the Company’s capital on a daily basis, under the oversight of the Directors. The Company has obtained from the Investment Manager an undertaking in writing to provide additional capital in the event the Company’s capital falls below the required minimum.

The share capital of the Company is at all times equal to the net asset value of the Company. Net assets attributable to redeemable shareholders represent a liability carried at the redemption amounts that would be payable at the date of the Statement of Financial Position if the shareholders exercised the right to redeem the shares in a Fund. Net assets attributable to redeemable shareholders were as follows:



NOTES TO FINANCIAL STATEMENTS

	31 December 2018		31 December 2017		31 December 2016	
	Net Asset Value	NAV per Share	Net Asset Value	NAV per Share	Net Asset Value	NAV per Share
<b>Global Stock Fund</b>						
USD Accumulating Class	\$867,968,065	\$19.17	\$1,044,050,161	\$22.03	\$641,523,309	\$18.14
GBP Accumulating Class	£1,826,890,667	£24.74	£1,094,595,670	£26.84	£1,225,011,159	£24.22
GBP Distributing Class	£183,929,349	£17.50	£201,550,322	£19.23	£73,607,276	£17.46
GBP Distributing Class (H)	£692,244	£10.05	£362,161	£11.94	n/a	n/a
EUR Accumulating Class	€290,423,237	€25.12	€270,159,058	€27.57	€166,791,001	€25.89
CAD Accumulating Class	C\$69,291,627	C\$24.69	C\$77,885,678	C\$26.13	C\$56,851,385	C\$22.92
<b>International Stock Fund*</b>						
USD Accumulating Class	–	–	\$74,919,536	\$17.81	\$66,138,872	\$14.35
EUR Accumulating Class	–	–	€1,248,300	€17.48	€1,162,829	€16.05
<b>U.S. Stock Fund</b>						
USD Accumulating Class	\$613,817,180	\$23.55	\$473,378,703	\$25.51	\$227,388,881	\$21.69
GBP Accumulating Class	£576,988,266	£28.75	£165,772,564	£29.39	£100,156,349	£27.38
GBP Distributing Class	£251,834,936	£17.86	£164,433,714	£18.39	£127,601,944	£17.26
GBP Distributing Class (H)	£7,004,476	£10.41	£4,419,919	£11.57	n/a	n/a
EUR Accumulating Class	€47,370,303	€26.65	€22,964,791	€27.57	€28,745,518	€26.73
<b>Global Bond Fund</b>						
USD Accumulating Class	\$55,332,648	\$10.58	\$50,764,434	\$10.77	\$46,205,604	\$9.95
GBP Distributing Class	£1,037,681	£11.79	£1,127,090	£11.84	£1,041,884	£12.42
GBP Distributing Class (H)	£207,257,175	£8.63	£208,532,126	£9.33	£1,173,483	£9.01
EUR Accumulating Class	€938,758	€12.80	€897,641	€12.45	€1,115,360	€13.11
EUR Accumulating Class (H)	€1,421,552	€9.86	€1,489,283	€10.33	€1,402,112	€9.73
EUR Distributing Class	€922,740	€10.78	€897,749	€10.94	€944,875	€11.95
EUR Distributing Class (H)	€1,421,635	€8.30	€1,489,413	€9.07	€1,402,352	€8.85

The movements in the number of shares during the years ended 31 December 2018 and 31 December 2017 were as follows:

	Balance at 31 December 2017	Shares Issued	Shares Redeemed	Balance at 31 December 2018
<b>Global Stock Fund</b>				
USD Accumulating Class	47,400,417	10,563,369	(12,675,409)	45,288,377
GBP Accumulating Class	40,783,974	34,799,142	(1,732,983)	73,850,133
GBP Distributing Class	10,481,744	909,619	(880,090)	10,511,273
GBP Distributing Class (H)	30,339	51,351	(12,805)	68,885
EUR Accumulating Class	9,799,769	5,080,361	(3,319,661)	11,560,469
CAD Accumulating Class	2,980,723	3,675	(178,298)	2,806,100
<b>International Stock Fund*</b>				
USD Accumulating Class	4,205,988	53,342	(4,259,330)	–
EUR Accumulating Class	71,426	40,937	(112,363)	–
<b>U.S. Stock Fund</b>				
USD Accumulating Class	18,557,598	12,968,019	(5,463,906)	26,061,711
GBP Accumulating Class	5,639,971	17,098,007	(2,666,276)	20,071,702
GBP Distributing Class	8,940,829	7,717,550	(2,561,271)	14,097,108
GBP Distributing Class (H)	381,976	381,009	(90,362)	672,623
EUR Accumulating Class	832,928	1,721,229	(776,989)	1,777,168
<b>Global Bond Fund</b>				
USD Accumulating Class	4,711,398	1,399,019	(878,617)	5,231,800
GBP Distributing Class	95,229	20,251	(27,491)	87,989
GBP Distributing Class (H)	22,355,310	3,305,928	(1,652,905)	24,008,333
EUR Accumulating Class	72,080	44,559	(43,287)	73,352
EUR Accumulating Class (H)	144,160	–	–	144,160
EUR Distributing Class	82,062	3,508	–	85,570
EUR Distributing Class (H)	164,286	7,018	–	171,304

\* With effect from 6 December 2018, all outstanding shares of the International Stock Fund were compulsorily redeemed and the Fund ceased trading.

NOTES TO FINANCIAL STATEMENTS

	Balance at 31 December 2016	Shares Issued	Shares Redeemed	Balance at 31 December 2017
<b>Global Stock Fund</b>				
USD Accumulating Class	35,356,566	21,524,301	(9,480,450)	47,400,417
GBP Accumulating Class	50,577,998	3,913,488	(13,707,512)	40,783,974
GBP Distributing Class	4,215,345	7,433,737	(1,167,338)	10,481,744
GBP Distributing Class (H)	–	30,339	–	30,339
EUR Accumulating Class	6,443,248	4,889,802	(1,533,281)	9,799,769
CAD Accumulating Class	2,479,922	2,947,380	(2,446,579)	2,980,723
<b>International Stock Fund</b>				
USD Accumulating Class	4,607,705	966,195	(1,367,912)	4,205,988
EUR Accumulating Class	72,433	6,663	(7,670)	71,426
<b>U.S. Stock Fund</b>				
USD Accumulating Class	10,484,206	11,731,335	(3,657,943)	18,557,598
GBP Accumulating Class	3,658,162	3,474,106	(1,492,297)	5,639,971
GBP Distributing Class	7,391,213	3,140,433	(1,590,817)	8,940,829
GBP Distributing Class (H)	–	386,833	(4,857)	381,976
EUR Accumulating Class	1,075,584	1,434,094	(1,676,750)	832,928
<b>Global Bond Fund</b>				
USD Accumulating Class	4,644,154	67,244	–	4,711,398
GBP Distributing Class	83,913	11,861	(545)	95,229
GBP Distributing Class (H)	130,242	22,225,133	(65)	22,355,310
EUR Accumulating Class	85,089	–	(13,009)	72,080
EUR Accumulating Class (H)	144,160	–	–	144,160
EUR Distributing Class	79,097	2,965	–	82,062
EUR Distributing Class (H)	158,427	5,859	–	164,286

The U.S. dollar equivalent amounts associated with the above share movements during the years ended 31 December 2018 and 31 December 2017 were as follows:

	2018		2017	
	Subscriptions	Redemptions	Subscriptions	Redemptions
<b>Global Stock Fund</b>				
USD Accumulating Class	\$228,432,509	(\$284,051,501)	\$434,048,769	(\$196,741,666)
GBP Accumulating Class	1,220,783,646	(60,702,125)	129,083,909	(467,520,922)
GBP Distributing Class	23,507,578	(22,499,193)	183,021,908	(28,810,850)
GBP Distributing Class (H)	827,831	(196,842)	461,679	–
EUR Accumulating Class	166,239,193	(107,480,876)	149,861,448	(46,861,505)
CAD Accumulating Class	80,871	(3,177,970)	56,391,988	(45,609,736)
<b>International Stock Fund*</b>				
USD Accumulating Class	935,052	(69,177,916)	16,463,178	(23,386,336)
EUR Accumulating Class	849,045	(2,186,326)	134,042	(134,103)
<b>U.S. Stock Fund</b>				
USD Accumulating Class	340,348,968	(143,001,409)	273,054,305	(86,445,935)
GBP Accumulating Class	683,297,888	(108,878,171)	124,950,749	(54,213,883)
GBP Distributing Class	194,671,309	(64,379,986)	73,503,537	(35,844,335)
GBP Distributing Class (H)	5,923,085	(1,423,971)	5,866,688	(69,680)
EUR Accumulating Class	58,840,724	(26,319,585)	43,538,428	(49,081,712)
<b>Global Bond Fund</b>				
USD Accumulating Class	15,206,390	(9,282,563)	722,000	–
GBP Distributing Class	307,435	(419,427)	190,193	(8,634)
GBP Distributing Class (H)	41,700,411	(20,434,088)	276,583,154	(783)
EUR Accumulating Class	653,354	(638,503)	–	(180,174)
EUR Accumulating Class (H)	–	–	–	–
EUR Distributing Class	44,214	–	38,734	–
EUR Distributing Class (H)	70,701	–	60,980	–

\* With effect from 6 December 2018, all outstanding shares of the International Stock Fund were compulsorily redeemed and the Fund ceased trading.



Subscriber Shares

The subscriber share capital of the Company is €2 divided into 2 subscriber shares of no par value. The subscriber shares do not participate in the assets of any Fund nor do they form part of the net asset value of the Company. Holders of subscriber shares are not entitled to dividends or any surplus of assets over liabilities upon the winding-up of the Company. They are disclosed in the financial statements by way of this note only.

6. SOFT COMMISSION ARRANGEMENTS

The Investment Manager’s objective in selecting broker-dealers and effecting portfolio transactions in securities is to seek best execution. The Investment Manager may receive research and brokerage services from broker-dealers with which it effects transactions. The research services received may be produced by the broker-dealer effecting the trade (“proprietary research”), or by a third party that is not involved in effecting the trade (“third party research”). The receipt of broker-dealer or third party research and information and related services permits the Investment Manager to supplement its own research and analysis and provides access to the views and information of individuals and the research staffs of other firms. The Investment Manager believes that the research and brokerage services provided by broker-dealers and their ability to achieve quality execution are important for, and assist the Investment Manager in fulfilling its overall responsibilities to, its clients, including the Company.

7. CROSS LIABILITY

The Company is an umbrella fund with segregated liability between sub-funds, and under Irish law the Company generally will not be liable as a whole to third parties and there generally will not be the potential for cross liability between the Funds. Notwithstanding the foregoing, there can be no assurance that, should an action be brought against the Company in the courts of another jurisdiction, the segregated nature of the Funds would necessarily be upheld. In addition, whether or not there is a cross-liability between Funds, proceedings involving a Fund could involve the Company as a whole, which could potentially affect the operations of all Funds.

8. EFFICIENT PORTFOLIO MANAGEMENT

The Funds may employ investment techniques and instruments for efficient portfolio management purposes, subject to the conditions and within the limits laid down by the Central Bank and the Prospectus. Such investment techniques and instruments are used when the Investment Manager considers them to be economically appropriate in order to seek to reduce risk, reduce costs, or generate additional capital or income for the Funds with an appropriate level of risk.

The Funds enter into repurchase agreements for efficient portfolio management purposes. During the year ended 31 December 2018, the Global Stock Fund, International Stock Fund, U.S. Stock Fund, and Global Bond Fund earned interest income arising from repurchase agreements in the amounts of \$157,907, \$1,581, \$130,881, and \$18,142, respectively (2017: \$38,045, \$556, \$10,686, and \$2,161

respectively). Transaction costs are embedded in the price of the instruments and are not separately identifiable.

9. TRANSACTIONS WITH RELATED PARTIES

Investment Manager

Dodge & Cox has been appointed to act as investment manager of the Company and the Funds. The Company, on behalf of and out of the assets of each Fund, pays investment management fees, which are accrued daily and paid monthly in arrears at the annual rates set out below:

Fund	% of average daily net asset value of each class of each Fund
Global Stock Fund	0.60%
International Stock Fund*	0.60%
U.S. Stock Fund	0.60%
Global Bond Fund	0.50%

At 31 December 2018, the Funds had payables to the Investment Manager for accrued management fees, which are reflected as management fee payable in the Statement of Financial Position.

During the year ended 31 December 2018, the Investment Manager voluntarily agreed to limit aggregate annual ordinary expenses of the Funds to the rates set out below:

Fund	% of average daily net asset value of each class of each Fund
Global Stock Fund	
Prior to 1 July 2018	0.70%
Effective 1 July 2018	0.63%
International Stock Fund*	
Prior to 22 October 2018	0.70%
Effective 22 October 2018	0.00%
U.S. Stock Fund	
Prior to 1 July 2018	0.70%
Effective 1 July 2018	0.63%
Global Bond Fund	0.45%

\* With effect from 6 December 2018, all outstanding shares of the International Stock Fund were compulsorily redeemed and the Fund ceased trading.

As a result, during the year ended 31 December 2018, the Investment Manager reimbursed expenses to the Funds in the amounts disclosed in the Statement of Comprehensive Income. At 31 December 2018, the Funds had receivables from the Investment Manager for reimbursed expenses, which are reflected as receivable from the Investment Manager in the Statement of Financial Position.

At 31 December 2018, the Investment Manager owned 11% (2017: 12%) of the outstanding shares of the Global Bond Fund.

On 22 May 2018, shareholders of the International Stock Fund were notified that the Fund would compulsorily redeem all shares with effect from 6 December 2018. From 22 May 2018 to 6 December 2018, the Investment Manager voluntarily reimbursed the International Stock Fund for certain costs incurred in connection with the wind-down process in the amount of \$38,262. As of 6 December 2018, the Investment Manager also voluntarily assumed the

## NOTES TO FINANCIAL STATEMENTS

International Stock Fund's net liabilities in the amount of \$34,985.

### **Directors**

The Articles of Association provide that the Directors shall be entitled to a fee by way of remuneration for their services at a rate to be determined from time to time by the Directors. It is expected that the aggregate amount of Directors' remuneration in any one year shall not exceed €120,000. In addition, all of the Directors are entitled to be reimbursed out of the assets of each Fund for their reasonable out-of-pocket expenses incurred in discharging their duties as Directors.

The Company pays each non-affiliated Director an annual fee in consideration of agreeing to act as a director of the Company. The amounts earned by the non-affiliated Directors are reflected as directors' fees in the Statement of Comprehensive Income, of which \$0 (31 December 2017: \$0) was outstanding at 31 December 2018. The Directors affiliated with the Investment Manager do not receive Directors' fees.

The following Director held shares (all USD Accumulating Class Shares) in the Funds at 31 December 2018: Diana Strandberg held 500,000 (2017: 500,000) shares in the Global Stock Fund and 309,587 (2017: 697,018) shares in the U.S. Stock Fund.

## 10. SIGNIFICANT AGREEMENTS

### **Auditors' Remuneration**

For the year ended 31 December 2018, remuneration for all work carried out for the Company by the statutory audit firm in relation to the audit of the Company's financial statements amounted to \$116,348 (2017: \$117,057), including out-of-pocket expenses. For the same period, remuneration for all non-audit work carried out for the Company by the statutory audit firm amounted to \$73,668 (2017: \$108,123). There were no other fees paid/payable to the statutory audit firm.

## 11. LINE OF CREDIT

The Company has a committed credit facility ("Line of Credit") with State Street Bank and Trust Company, to be utilised on a temporary basis in order to fund shareholder redemptions or for other short-term liquidity purposes. The maximum amount available on the Line of Credit is \$45,000,000, and the amount utilised by a Fund may not exceed 10% of the Fund's net assets. Each Fund pays an annual commitment fee on its pro-rata portion of the Line of Credit, which is included in other expenses in the Statement of Comprehensive Income. Interest on borrowings is charged at the prevailing rate. There were no borrowings on the Line of Credit during the year ended 31 December 2018 or 31 December 2017.

## 12. TRANSACTION COSTS

In order to achieve its investment objective, a Fund incurs transaction costs in relation to trading activity on its portfolio. These costs may include broker commissions, settlement fees, stamp duties, and financial transaction taxes. During the year ended 31 December 2018, the Global Stock Fund, International Stock Fund, U.S. Stock Fund, and Global Bond Fund incurred separately identifiable

transaction costs in the amounts of \$2,856,695 (2017: \$1,673,434), \$59,593 (2017: \$66,273), \$224,536 (2017: \$85,839), and \$10,534 (2017: \$3,249), respectively. For some financial instruments, such as debt securities, repurchase agreements, and currency forward contracts, transaction costs are embedded in the price of the instruments and are not separately identifiable.

## 13. RISK MANAGEMENT POLICIES AND PROCEDURES

In accordance with IFRS 7, the following is a description of how the Company manages risks associated with the use of financial instruments.

### **Policies and Procedures**

The Board of Directors has put in place procedures designed to identify, monitor, and manage applicable risks pertaining to the Funds. As part of the Company's permanent risk management function, the conduct of certain risk functions and the implementation of the Company's risk management policy have been delegated to the Investment Manager's Risk Management Committee (the "Committee"). The Committee is composed of management from key functions across the Investment Manager. The objective of the Committee is not to eliminate risk, but rather to seek to evaluate the risks faced by the Investment Manager. The Committee's purpose is to:

- evaluate the key risks of the Investment Manager and the manner in which the risks are identified, measured, monitored, and communicated including setting escalation points requiring communication to senior management and/or the Investment Manager's board of directors;
- validate that adequate policies and procedures are in place to understand and, where appropriate, mitigate the risks to which the Investment Manager's affiliates and clients are exposed, including but not limited to portfolio management, liquidity, valuation, operational, legal, regulatory, and reputational risks; and
- assess from multiple perspectives the risks associated with new investment instruments, strategies, and products.

The Committee (acting as a whole and/or through its designees, as applicable) is responsible for ensuring that each Fund is managed within the guidelines set out by the Directors, each Fund's investment objective, and the provisions of the Prospectus. On a quarterly basis, and more frequently as required, the Directors receive reports and presentations from the Investment Manager detailing each Fund's risk profile and investment performance.

The main risks arising from the Company's use of financial instruments are market risk, liquidity risk, and credit risk. These risks are discussed in the following notes and qualitative and quantitative analyses are provided where relevant. Other risk considerations are set forth in the Prospectus. The International Stock Fund is not included in the risk discussion as the Fund ceased trading on 6 December 2018.

### **Global Exposure**

Under the UCITS Regulations, the Investment Manager is required to employ a risk management process which enables it to accurately monitor and manage the global exposure of the Funds to financial derivative instruments ("FDI") (which

NOTES TO FINANCIAL STATEMENTS

are a subset of the financial instruments in which the Funds invest). The Investment Manager uses the commitment approach to measure the global exposure of the Funds. The commitment approach is a methodology that aggregates the underlying market or notional values of FDI. In accordance with the UCITS Regulations, global exposure of a Fund to FDI must not exceed 100% of a Fund’s net asset value.

Market Risk

Market risk is the risk that the fair value or future cash flows of a Fund’s financial instruments will decline due to changes in market prices, and includes price risk, currency risk, and interest rate risk. The Investment Manager’s strategy for managing market risk is driven by the investment objectives and policies of the Funds.

(i) Price Risk

Price risk is the risk that the fair value or future cash flows of a Fund’s financial instruments will decline due to changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instruments or their issuers or by factors affecting all similar financial instruments traded in the market. The Funds are exposed to price risk arising from their investments in financial instruments.

The Investment Manager’s risk management efforts are focused on mitigating the risk of a permanent loss of capital, rather than trying to mitigate the impact of shorter-term price movements. Indeed, short-term volatility can provide the opportunity to purchase or sell a security at attractive valuations. The Investment Manager attempts to mitigate the risk of a permanent loss of capital at both the individual security level and the portfolio level. At the individual security level, the Investment Manager follows a disciplined approach to security selection, involving:

- **a strict price discipline.** We seek to invest in companies with valuations that do not fully reflect prospects for the company and where our analysis suggests the possibility of more positive developments.

We constantly weigh valuation against company fundamentals and re-evaluate our thinking as prices change.

- **independent research.** Each security is selected based on extensive bottom-up research and fundamental analysis.
- **long-term investment horizon.** Investments are selected based on their return potential over a three- to five-year time horizon. A longer time horizon focuses the research process on the investment’s underlying fundamentals.
- **collective judgment.** Each Fund is managed by an investment committee which makes investment decisions after a thorough review process. A group decision-making process allows for the discussion, evaluation, and vetting of a broad set of issues and ideas, and reduces the reliance on any one person.
- **ongoing review.** Fund holdings are reviewed on an ongoing basis. Individual security positions are discussed weekly at investment committee meetings. An investment committee may decide to gradually increase or decrease positions based on new information or price changes.

At the portfolio level, the Investment Manager mitigates risk through diversification by investing in a portfolio of securities across various industry sectors and/or regions. The Investment Manager monitors compliance with investment restrictions, including restrictions on investment concentrations, as set forth in the Prospectus. Individual security and sector concentrations are disclosed in each Fund’s Portfolio of Investments.

The Funds are actively managed using a bottom-up approach to security selection and do not intend to closely track a benchmark. However, the Investment Manager periodically reviews each Fund’s performance, characteristics, and sector and/or regional diversification relative to its relevant benchmark index (the “Index”), and reports such information to the Directors. The regional diversification of each active Fund compared to the Index was as follows:

Global Stock Fund	31 December 2018		31 December 2017	
	Global Stock Fund	MSCI World Index	Global Stock Fund	MSCI World Index
Region Diversification* (%)				
United States	44.0	61.7	43.5	59.2
Europe (ex United Kingdom)	23.3	15.9	23.0	17.0
United Kingdom	9.2	5.9	11.0	6.6
Pacific (ex Japan)	8.3	4.4	9.1	4.5
Latin America	4.9	0.0	4.4	0.0
Africa/Middle East	2.7	0.2	3.7	0.3
Japan	2.5	8.6	1.2	8.9
Canada	1.1	3.3	1.7	3.5
U.S. Stock Fund	31 December 2018		31 December 2017	
	U.S. Stock Fund	S&P 500 Index	U.S. Stock Fund	S&P 500 Index
Non-U.S. Securities* (%)				
Non-U.S. securities not in the S&P 500 Index	4.6	0.0	4.4	0.0

NOTES TO FINANCIAL STATEMENTS

Global Bond Fund	31 December 2018		31 December 2017	
		Bloomberg Barclays Global Aggregate Bond Index		Bloomberg Barclays Global Aggregate Bond Index
Region Diversification* (%)	Global Bond Fund		Global Bond Fund	
United States	41.3	39.5	47.1	38.6
Latin America	20.1	1.0	19.6	1.1
Europe (ex United Kingdom)	13.5	25.5	6.9	26.6
Pacific (ex Japan)	8.6	5.6	5.0	5.3
United Kingdom	7.5	5.2	6.4	5.7
Africa/Middle East	2.3	0.6	2.5	0.6
Canada	2.0	3.2	1.7	3.3
Japan	0.0	17.2	5.4	16.6
Other	0.0	2.2	0.0	2.2

\* The Funds may classify a company or an issuer in a different category than the Index. The Funds generally classify a company or a corporate issuer based on country of incorporation, but may designate a different country in certain circumstances.

The table below summarises the sensitivity of each active Fund's net assets to price movements at 31 December. The analysis is based on the largest percentage decrease in day-over-day price levels of the Index during the years presented and assumes the Index movement is a reasonable proxy for a Fund's movement. An increase in day-over-day price levels of the Index of the same magnitude would have resulted in an equal but opposite effect on each Fund's net assets.

Global Stock Fund	Year ended 31 December 2018	Year ended 31 December 2017
Largest day-over-day decrease in the MSCI World Index	(3.1%)	(1.2%)
Effect on the Fund's net assets**	(\$118,275,823)	(\$38,168,081)

U.S. Stock Fund		
Largest day-over-day decrease in the S&P 500 Index	(4.1%)	(1.8%)
Effect on the Fund's net assets**	(\$71,070,936)	(\$17,149,119)

Global Bond Fund		
Largest day-over-day decrease in the Bloomberg Barclays Global Aggregate Bond Index	(0.7%)	(0.9%)
Effect on the Fund's net assets**	(\$2,283,509)	(\$3,056,078)

\*\* This sensitivity analysis has limitations. It represents a hypothetical outcome that is not intended to be predictive.

(ii) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a Fund's financial instruments will decline due to changes in exchange rates. The Funds are exposed to currency risk to the extent that their assets and liabilities are not denominated in U.S. dollars, each Fund's Base Currency. The Funds have indirect exposure to currency risk to the extent they invest in securities of issuers exposed to currency risk. Monetary assets and liabilities of a Fund include cash, receivable and payable balances, currency forward contracts used for investment purposes, and debt securities. Non-monetary assets of a Fund include equity securities.

The direct non-U.S. dollar currency exposures for the monetary and non-monetary assets and liabilities (net of any currency forward contracts used for hedging purposes) of each active Fund were as follows:

Global Stock Fund	31 December 2018				31 December 2017			
	Net Monetary Exposure	Net Non-Monetary Exposure	Total Net Exposure	% of Net Assets	Net Monetary Exposure	Net Non-Monetary Exposure	Total Net Exposure	% of Net Assets
Currency								
Euro	\$440,060	\$517,570,166	\$518,010,226	13.6%	\$503,500	\$326,562,905	\$327,066,405	10.3%
British Pound	1,149,885	313,662,660	314,812,545	8.3	632,151	254,510,723	255,142,874	8.0
Swiss Franc	–	270,164,133	270,164,133	7.1	–	163,677,734	163,677,734	5.1
Chinese Renminbi	–	(149,959,950)	(149,959,950)	(3.9)	–	(158,176,931)	(158,176,931)	(5.0)
Other	5,384,139	460,203,481	465,587,620	12.2	601,199	436,635,902	437,237,101	13.8
Total	\$6,974,084	\$1,411,640,490	\$1,418,614,574	37.3%	\$1,736,850	\$1,023,210,333	\$1,024,947,183	32.2%

Global Bond Fund	31 December 2018				31 December 2017			
	Net Monetary Exposure	Net Non-Monetary Exposure	Total Net Exposure	% of Net Assets	Net Monetary Exposure	Net Non-Monetary Exposure	Total Net Exposure	% of Net Assets
Currency								
Mexican Peso	\$21,304,628	\$–	\$21,304,628	6.5%	\$20,493,939	\$–	\$20,493,939	6.0%
Indian Rupee	12,737,333	–	12,737,333	3.9	8,545,647	–	8,545,647	2.5
Indonesian Rupiah	10,992,139	–	10,992,139	3.4	5,093,435	–	5,093,435	1.5
Colombian Peso	8,844,228	–	8,844,228	2.7	10,438,289	–	10,438,289	3.1
Other	9,482,836	–	9,482,836	2.9	15,404,745	–	15,404,745	4.6
Total	\$63,361,164	\$–	\$63,361,164	19.4%	\$59,976,055	\$–	\$59,976,055	17.7%



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The U.S. Stock Fund invests only in U.S. dollar denominated securities, most of which are issued by U.S. corporations, and therefore has limited direct exposure to currency risk with respect to its monetary and non-monetary assets.

The Global Bond Fund has significant monetary exposure to non-U.S. dollar currencies. The following table summarises the sensitivity of the Global Bond Fund's net assets to changes in exchange rates at 31 December. The analysis is based on a reasonably possible strengthening of the U.S. dollar against all other currencies to which the Fund is directly exposed. A weakening of the U.S. dollar of the same magnitude would have resulted in an equal but opposite effect on the Fund's net assets.

Global Bond Fund	Year ended 31 December 2018	Year ended 31 December 2017
Reasonably possible strengthening of the U.S. dollar	10%	10%
Effect on the Fund's net assets*	(\$6,336,116)	(\$5,997,605)

\* This sensitivity analysis has limitations. It represents a hypothetical outcome that is not intended to be predictive.

The Global Stock Fund maintained currency forward contracts to hedge direct and/or indirect currency exposure to the Chinese renminbi, euro, and Swiss

franc. During the year ended 31 December 2018, these currency forward contracts had U.S. dollar total values ranging from 4% to 7% (2017: 6% to 8%) of the Fund's net assets.

The Global Bond Fund maintained currency forward contracts to hedge direct and/or indirect currency exposure to the British pound, euro, Japanese yen, and Thai baht. During the year ended 31 December 2018, these currency forward contracts had U.S. dollar total values ranging from 6% to 13% (2017: 10% to 13%) of the Fund's net assets.

Currency exposure arises as a consequence of investment decisions made for each Fund and is monitored by the Investment Manager. Other than as described above, the Investment Manager did not actively hedge currency exposures arising from each Fund's investments.

(iii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a Fund's financial instruments will decline due to changes in market interest rates. The Global Bond Fund is exposed to interest rate risk through its investments in debt securities. Other Funds may have indirect exposure to interest rate risk to the extent they invest in securities of issuers exposed to interest rate risk. The following table summarises the Global Bond Fund's assets and liabilities by maturity date:

Global Bond Fund	31 December 2018				
	Maturity Date Less than 1 Year	Maturity Date 1 - 5 Years	Maturity Date Over 5 Years	Non-Interest Bearing	Total
Financial assets at fair value	\$6,718,557	\$46,998,237	\$253,512,886	\$11,812,560	\$319,042,240
Financial liabilities at fair value	—	—	—	(1,476,713)	(1,476,713)
Other assets less other liabilities	—	—	—	8,650,090	8,650,090
Total	\$6,718,557	\$46,998,237	\$253,512,886	\$18,985,937	\$326,215,617

Global Bond Fund	31 December 2017				
	Maturity Date Less than 1 Year	Maturity Date 1 - 5 Years	Maturity Date Over 5 Years	Non-Interest Bearing	Total
Financial assets at fair value	\$34,669,195	\$35,825,868	\$256,968,668	\$16,272,893	\$343,736,624
Financial liabilities at fair value	—	—	—	(678,358)	(678,358)
Other assets less other liabilities	—	—	—	(3,494,088)	(3,494,088)
Total	\$34,669,195	\$35,825,868	\$256,968,668	\$12,100,447	\$339,564,178

The Investment Manager manages the Global Bond Fund's duration, or exposure to interest rate risk, through security selection and the use of short bond futures contracts and interest rate swaps. During the year ended 31 December 2018, the Fund held short U.S. Treasury, euro government bond, and UK-Gilt futures contracts with U.S. dollar notional values ranging from 12% to 18% (2017: 14% to 18%) of the Fund's net assets. During the year ended 31 December 2018, the Fund held interest rate swaps with U.S. dollar notional values ranging from 0% to 5% (2017: 2% to 5%) of the Fund's net assets.

The measure of duration for a portfolio indicates the approximate percentage change in its value if interest rates

changed by 1%. Portfolios with longer durations tend to be more sensitive to changes in interest rates than those with shorter durations. The Global Bond Fund was positioned defensively with respect to interest rate risk, with a shorter relative duration than the Index. The duration of the Fund and the Index at 31 December were as follows:

Effective Duration (years)	2018	2017
Global Bond Fund	3.7	3.7
Bloomberg Barclays Global Aggregate Bond Index	7.0	7.0

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Liquidity Risk

Liquidity risk is the risk that a Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or may only do so on terms that are materially disadvantageous. The Funds are exposed to liquidity risk primarily arising from daily cash redemptions of redeemable shares.

The Investment Manager seeks to manage liquidity risk by investing the majority of each Fund's assets in securities that can be readily sold under normal circumstances, such as securities traded on active markets with quoted prices. The Funds also invest in other instruments (e.g., repurchase agreements, currency forward contracts, futures contracts, and/or interest rate swaps) whose par values or notional amounts are disclosed in the Funds' Portfolios of Investments. Each Fund has low exposure to liquidity risk arising from these other instruments due to their short maturities and/or limited usage.

The Funds have access to a Line of Credit to be utilised on a temporary basis to fund shareholder redemptions or for other short-term liquidity purposes as set out in Note 11. In addition, if redemption requests on a particular business day exceed 10% of the net asset value of a Fund, redemption requests may be deferred to a subsequent day at which point shares will be redeemed ratably. Further information on suspension of redemption requests is set forth in the Prospectus.

The Funds' non-derivative financial liabilities generally fall due within one to two months and primarily relate to security purchases awaiting settlement, redemptions of redeemable shares, and accrued expenses. Details of these amounts are disclosed in the Statement of Financial Position.

Credit Risk

Credit risk is the risk that the issuer of or counterparty to a Fund's financial instrument will fail to discharge its obligation or commitment and the Fund will bear a financial loss. The Global Bond Fund is exposed to credit risk arising from its investments in debt securities, and each Fund is exposed to credit risk arising from the counterparties with which it trades. The carrying value of financial assets best represents the Company's gross maximum exposure to credit risk at 31 December 2018.

The Investment Manager seeks to reduce the Global Bond Fund's credit risk with respect to issuers by investing in a diversified portfolio of debt securities in accordance with the Fund's investment objective and policies. At 31 December 2018, the Fund had exposure to all major sectors of the bond market and no credit issuer represented more than 2.3% (2017: 2.0%) of net assets. The credit quality diversification of the Fund at 31 December was as follows:

Global Bond Fund			
Quality Diversification (% of Fund)*			
	2018	2017	
Aaa	6.4	23.7	
Aa	3.3	0.5	
A	14.1	18.4	
Baa	52.6	40.0	
Ba	16.2	9.0	
Below Ba/NR	2.7	3.0	
Cash Equivalents	4.7	5.4	

\* The credit quality distribution shown for the Fund is based on the middle of Moody's, S&P's, 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. The credit quality of the investments in the portfolio does not apply to the stability or safety of the Fund or its shares.

Credit risk may also arise on open securities and derivatives transactions. The Investment Manager attempts to mitigate such credit risk by only using counterparties it believes to be of good credit quality and by monitoring the financial stability of those counterparties. At 31 December 2018, the credit ratings (Moody's senior unsecured debt rating) of brokers who were counterparties to the Funds' OTC Derivatives, which consisted solely of currency forward contracts, ranged from Aa2 to A2.

The Funds' currency forward contracts are entered into under master agreements. Under master agreements, in certain circumstances—e.g., when a default occurs—all outstanding transactions under the agreement may be terminated, the termination value is assessed, and only a single net amount is due or payable in settlement of all transactions. The Funds' master agreements contain collateral terms requiring the parties to post collateral based on the net market value of the transactions, subject to a minimum exposure threshold. Gross unrealised gains and losses on open currency forward contracts at 31 December 2018, which are not offset in the Statement of Financial Position, are presented in the Funds' Portfolios of Investments. Cash collateral pledged or held by the Funds for currency forward contracts is recorded as cash held at/(received from) broker in the Statement of Financial Position. At 31 December 2018, no cash collateral was pledged or held by the U.S. Stock Fund with respect to currency forward contracts, and the following tables present the net counterparty exposures associated with currency forward contracts for the Global Stock Fund and Global Bond Fund.

Global Stock Fund		31 December 2018		
Counterparty	Fair Value of OTC Derivatives	Cash Collateral Pledged / (Received) <sup>1</sup>	Net Amount	
Barclays	(\$457,381)	\$320,000	(\$137,381)	
Citibank	1,342,088	(1,342,088)	–	
Credit Suisse	165,120	–	165,120	
Goldman Sachs	(680,545)	630,000	(50,545)	
HSBC	281,538	(281,538)	–	
JPMorgan	551,407	(551,407)	–	
Morgan Stanley	(72,954)	–	(72,954)	
UBS	(98,835)	–	(98,835)	
State Street <sup>2</sup>	4,156	–	4,156	
Total	\$1,034,594	(\$1,225,033)	(\$190,439)	

		31 December 2017		
Counterparty	Fair Value of OTC Derivatives	Cash Collateral Pledged / (Received) <sup>1</sup>	Net Amount	
Bank of America	(\$2,244,648)	\$1,930,000	(\$314,648)	
Citibank	(2,225,813)	1,820,000	(405,813)	
Credit Suisse	(148,805)	–	(148,805)	
Goldman Sachs	(993,410)	800,000	(193,410)	
HSBC	(480,196)	210,000	(270,196)	
JPMorgan	(3,389,805)	670,000	(2,719,805)	
UBS	(340,093)	–	(340,093)	
State Street <sup>2</sup>	3,440	–	3,440	
Total	(\$9,819,330)	\$5,430,000	(\$4,389,330)	



NOTES TO FINANCIAL STATEMENTS

Global Bond Fund		31 December 2018		
Counterparty	Fair Value of OTC Derivatives	Cash Collateral Pledged / (Received) <sup>1</sup>	Net Amount	
Barclays	\$29,652	\$–	\$29,652	
Citibank	147,305	(147,305)	–	
Goldman Sachs	12,230	–	12,230	
State Street <sup>2</sup>	1,347,719	2,680,000	4,027,719	
Total	\$1,536,906	\$2,532,695	\$4,069,601	

  

		31 December 2017		
Counterparty	Fair Value of OTC Derivatives	Cash Collateral Pledged / (Received) <sup>1</sup>	Net Amount	
Barclays	(\$136,111)	\$–	(\$136,111)	
Citibank	(95,274)	–	(95,274)	
Credit Suisse	(30,392)	–	(30,392)	
Goldman Sachs	(730)	–	(730)	
JPMorgan	(145,058)	–	(145,058)	
State Street <sup>2</sup>	2,026,243	(2,026,243)	–	
Total	\$1,618,678	(\$2,026,243)	(\$407,565)	

<sup>1</sup> Cash collateral pledged/(received) in excess of OTC Derivative assets/liabilities, if any, is not presented.  
<sup>2</sup> Related to share class hedging

The Funds’ repurchase agreements are collateralised by U.S. government or agency securities, the fair value of which exceeds the principal amount of the repurchase transaction, including accrued interest, at all times. The collateral is held at the U.S. Federal Reserve in an account in the name of the Depositary. In the event of default by the counterparty, the Funds have the contractual right to liquidate the collateral securities and to apply the proceeds in satisfaction of the obligation. The fair values of the repurchase agreements and related collateral securities at 31 December 2018 are disclosed in the Funds’ Portfolios of Investments. The Funds’ repurchase agreements are fully collateralised.

The Funds’ futures contracts and centrally cleared interest rate swaps are settled through a clearinghouse. As outlined in Note 1, the Funds post initial margin upon entering into such contracts, and post or receive variation margin on a daily basis until the closing or expiration of the contracts. Margin paid by the Funds to the clearing broker on those contracts is recorded as cash held at broker in the Statement of Financial Position. Gross unrealised gains and losses on futures contracts and interest rate swaps at 31 December 2018 are disclosed in the Funds’ Portfolios of Investments.

Securities and cash balances, excluding financial derivative instruments and cash held at broker, are held by the Depositary through its affiliate, State Street Bank and Trust Company (Moody’s long-term deposit rating: Aa1) or through one of its sub-custodians. Securities are segregated from the assets of the Depositary, and ownership rights remain with the Company. The Funds’ relationship with the Depositary exposes them to risk—bankruptcy or insolvency of the Depositary may cause a Fund’s rights with respect to its cash balances and

investments held by the Depositary to be delayed or limited. The Investment Manager selected the Depositary based on its reputation, size, and long-term experience in the industry. The parent company of the Depositary trades on the NYSE and is monitored by the Investment Manager’s analyst team. The Depositary also contracts with various sub-custodians, and the Investment Manager relies on the policies and procedures in place at the Depositary to monitor the creditworthiness of its sub-custodians.

Fair Value Hierarchy

Various inputs are used in determining (measuring) the fair value of each Fund’s investments. Each Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Assessing the significance of a fair value measurement requires judgment, considering factors specific to the investment. Such factors may be observable or unobservable. The determination of what constitutes “observable” also requires significant judgment by the Investment Manager. The Funds consider observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The fair value hierarchy has the following levels as defined under IFRS 13:

Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 — Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (including quoted prices for similar securities, market indices, interest rates, credit risk, forward exchange rates, etc.); and

Level 3 — Unobservable inputs for the asset or liability.

Common and preferred stocks held by the Funds (on days when systematic fair valuation is not used) and futures contracts are Level 1 because they are typically traded on exchanges and obtain quoted prices daily. On days when systematic fair valuation is used, most non-U.S. dollar denominated common and preferred stocks move from Level 1 to Level 2. This is because systematic fair valuation adjusts the quoted prices of most non-U.S. dollar denominated securities by fair value factors, which take into account significant observable inputs. Equity-linked notes, debt securities, repurchase agreements, interest rate swaps, and currency forward contracts are Level 2 because they do not have quoted prices in active markets and are valued using various observable inputs.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following table summarises the inputs used to value each active Fund’s investments.

NOTES TO FINANCIAL STATEMENTS

Global Stock Fund				31 December 2017		
Security Classifications	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Common Stocks	\$1,928,727,486	\$1,552,885,573	\$–	\$1,780,241,740	\$1,186,024,331	\$–
Preferred Stocks	112,481,367	50,184,041	–	80,625,170	57,382,930	–
Equity-Linked Note	–	17,326,890	–	–	–	–
Repurchase Agreement	–	148,628,000	–	–	68,247,000	–
Futures Contracts	349,556	–	–	852,900	–	–
Currency Forward Contracts	–	1,034,594	–	–	(9,819,330)	–
Total	\$2,041,558,409	\$1,770,059,098	\$–	\$1,861,719,810	\$1,301,834,931	\$–
U.S. Stock Fund				31 December 2017		
Security Classifications	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Common Stocks	\$1,634,027,591	\$–	\$–	\$898,056,354	\$–	\$–
Repurchase Agreement	–	97,527,000	–	–	30,051,000	–
Futures Contracts	(1,046,557)	–	–	284,175	–	–
Currency Forward Contracts	–	41,784	–	–	42,169	–
Total	\$1,632,981,034	\$97,568,784	\$–	\$898,340,529	\$30,093,169	\$–
Global Bond Fund				31 December 2017		
Security Classifications	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Debt Securities	\$–	\$310,945,392	\$–	\$–	\$321,119,220	\$–
Commercial Paper	–	–	–	–	9,739,107	–
Repurchase Agreement	–	6,469,000	–	–	10,386,000	–
Futures Contracts	(1,284,181)	–	–	240,012	–	–
Interest Rate Swaps	–	(101,590)	–	–	(44,751)	–
Currency Forward Contracts	–	1,536,906	–	–	1,618,678	–
Total	(\$1,284,181)	\$318,849,708	\$–	\$240,012	\$342,818,254	\$–

For financial reporting purposes, transfers between levels are deemed to have occurred at the end of the reporting period. For the year ended 31 December 2018, the value of transfers out of Level 1 and into Level 2 was \$359,662,353 (2017: \$332,592,905) for the Global Stock Fund. There were no transfers between levels for the U.S. Stock Fund or Global Bond Fund. Transfers between Level 1 and Level 2 relate to the use of systematic fair valuation. There were no transfers in or out of Level 3.

For assets and liabilities carried at amortised cost, their carrying values are a reasonable approximation of fair value.

14. DISTRIBUTION POLICY

Distributing Share Classes

For each distributing share class of each Fund, at the time of each dividend declaration:

- all, or some portion, of net investment income, if any, may be, but is not required to be, declared as a dividend; and
- all, or some portion, of realised and unrealised capital gains net of realised and unrealised capital losses may be, but is not required to be, declared as a dividend.

Accumulating Share Classes

With respect to accumulating share classes, it is intended that, in the normal course of business, distributions will not be declared and that any net investment income and realised and unrealised capital gains net of realised and unrealised capital losses attributable to each accumulating share class will be accumulated daily in the respective net asset value per share of each respective class. For each Fund, if distributions are declared and paid with respect to accumulating share

classes, such distributions may be made from the sources listed under “Distributing Share Classes”.

15. SIGNIFICANT EVENTS DURING THE YEAR

The following significant events affected the Company during the year ended 31 December 2018:

- On 22 May 2018, shareholders of the International Stock Fund were notified that the Fund would compulsorily redeem all shares with effect from 6 December 2018 (the “Compulsory Redemption Date”).
- Effective 1 July 2018, the Investment Manager voluntarily agreed to reimburse the Global Stock Fund and U.S. Stock 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. For periods prior to 1 July 2018, aggregate annual ordinary expenses for the Global Stock Fund and U.S. Stock Fund were capped at 0.70% of the average daily net assets of each share class.
- Effective 22 October 2018, the Investment Manager voluntarily agreed to reimburse the International Stock Fund for all ordinary expenses. For periods prior to 22 October 2018, aggregate annual ordinary expenses for the International Stock Fund were capped at 0.70% of the average daily net assets of each share class.
- Effective 15 November 2018, Donal Byrne resigned as a director of the Company and Éilish Finan was appointed as a director of the Company.
- Effective 16 November 2018, Carl O’Sullivan was appointed as a director of the Company.
- With effect from the Compulsory Redemption Date, all outstanding shares of the International Stock Fund were compulsorily redeemed and the Fund ceased trading.

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NOTES TO FINANCIAL STATEMENTS

16. SIGNIFICANT EVENTS SINCE YEAR END

The following significant event has affected the Company since 31 December 2018:

- Effective 10 January 2019, Christophe Orly resigned as a director of the Company.

17. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Directors on 28 March 2019 for filing with the Central Bank and circulation to shareholders.

**PORTFOLIO PURCHASES AND SALES** (unaudited)  
**GLOBAL STOCK FUND**

For the year ended 31 December 2018

**SIGNIFICANT PURCHASES**

Societe Generale SA (France)	\$89,065,041
UBS Group AG (Switzerland)	75,128,195
UniCredit SPA (Italy)	64,392,624
Comcast Corp., Class A (United States)	60,489,952
FedEx Corp. (United States)	59,979,587
Charter Communications, Inc., Class A (United States)	59,881,910
BNP Paribas SA (France)	56,153,430
Roche Holding AG (Switzerland)	51,755,935
Banco Santander SA (Spain)	51,481,126
CVS Health Corp. (United States)	50,023,150
Occidental Petroleum Corp. (United States)	46,713,469
Mitsubishi Electric Corp. (Japan)	46,490,150
Standard Chartered PLC (United Kingdom)	44,356,191
Microchip Technology, Inc. (United States)	43,750,593
JD.com, Inc. ADR (Cayman Islands/China)	40,790,437
Apache Corp. (United States)	40,759,421
Johnson Controls International PLC (Ireland/United States)	40,018,850
Time Warner, Inc. (United States)	39,127,071
Axis Bank, Ltd. (India)	38,308,149
Wells Fargo & Co. (United States)	38,026,272
ICICI Bank, Ltd. (India)	37,422,744
Bristol-Myers Squibb Co. (United States)	36,224,257
Bayer AG (Germany)	34,595,649
Itau Unibanco Holding SA ADR (Brazil)	33,388,038
Naspers, Ltd. (South Africa)	33,375,101
Sanofi (France)	31,983,432
Baidu, Inc. ADR (Cayman Islands/China)	31,299,300
Credit Suisse Group AG (Switzerland)	31,175,589
Barclays PLC (United Kingdom)	30,511,470
Capital One Financial Corp. (United States)	30,140,458
Novartis AG (Switzerland)	29,923,659
Goldman Sachs Group, Inc. (United States)	28,978,015
GlaxoSmithKline PLC (United Kingdom)	28,157,756
Alphabet, Inc., Class C (United States)	27,147,260
Booking Holdings, Inc. (United States)	26,035,989
Grupo Televisa SAB ADR (Mexico)	24,559,019
Zayo Group Holdings, Inc. (United States)	23,907,279
Cemex SAB de CV ADR (Mexico)	23,275,582
Anadarko Petroleum Corp. (United States)	22,900,144

**SIGNIFICANT SALES**

Twenty-First Century Fox, Inc., Class A (United States)	\$50,312,483
Naspers, Ltd. (South Africa)	48,210,958
Union Pacific Corp. (United States)	40,747,402
Cigna Corp. (United States)	40,253,495
Target Corp. (United States)	39,581,982
Medtronic PLC (Ireland/United States)	39,229,953
Eli Lilly and Co. (United States)	37,868,785
ICICI Bank, Ltd. (India)	31,980,235
Anadarko Petroleum Corp. (United States)	29,165,045
Cisco Systems, Inc. (United States)	28,545,304
AT&T, Inc. (United States)	27,931,569
Kasikornbank PCL- Foreign (Thailand)	24,139,912
UnitedHealth Group, Inc. (United States)	22,349,993
National Oilwell Varco, Inc. (United States)	21,677,347
Bank of America Corp. (United States)	20,671,149
Standard Chartered PLC (United Kingdom)	19,842,819
Itau Unibanco Holding SA ADR (Brazil)	19,608,327
Hewlett Packard Enterprise Co. (United States)	19,541,724
AstraZeneca PLC (United Kingdom)	19,025,322
Express Scripts Holding Co. (United States)	17,735,220
Liberty Global PLC, Series C (United Kingdom)	16,267,345
Suncor Energy, Inc. (Canada)	16,217,705
GlaxoSmithKline PLC (United Kingdom)	14,978,317
Sanofi (France)	13,729,058
Alnylam Pharmaceuticals, Inc. (United States)	13,538,231
Charles Schwab Corp. (United States)	13,221,708
Novartis AG (Switzerland)	12,714,526
Merck & Co., Inc. (United States)	11,924,397
JD.com, Inc. ADR (Cayman Islands/China)	11,759,550
Alphabet, Inc., Class C (United States)	11,513,359
Baidu, Inc. ADR (Cayman Islands/China)	11,447,131
Linde PLC (Ireland/United States)	11,087,984
Petroleo Brasileiro SA ADR (Brazil)	10,125,925
Booking Holdings, Inc. (United States)	10,069,453
Roche Holding AG (Switzerland)	10,035,139

Significant purchases are defined as aggregate purchases of a security exceeding one percent of the total value of purchases for the year. Significant sales are defined as aggregate sales of a security exceeding one percent of the total value of sales for the year. At a minimum, the 20 largest purchases and 20 largest sales must be disclosed.

SIGNIFICANT PURCHASES		SIGNIFICANT SALES	
U.S. Treasury Bill (United States) 6/12/18	\$7,757,840	U.S. Treasury Bill (United States) 6/12/18	\$7,766,579
Roche Holding AG (Switzerland)	452,318	Sanofi (France)	2,730,768
Societe Generale SA (France)	338,623	Naspers, Ltd. (South Africa)	2,617,556
Total SA (France)	335,137	Novartis AG (Switzerland)	2,493,931
Axis Bank, Ltd. (India)	329,233	ICICI Bank, Ltd. (India)	2,308,377
JD.com, Inc. ADR (Cayman Islands/China)	285,580	Itau Unibanco Holding SA ADR (Brazil)	2,215,560
Bayer AG (Germany)	260,464	Roche Holding AG (Switzerland)	2,017,225
Aviva PLC (United Kingdom)	207,192	Petroleo Brasileiro SA ADR (Brazil)	1,823,664
Itau Unibanco Holding SA ADR (Brazil)	193,134	GlaxoSmithKline PLC (United Kingdom)	1,721,493
Koninklijke Philips NV (Netherlands)	190,064	Barclays PLC (United Kingdom)	1,600,524
Mitsubishi UFJ Financial Group, Inc. (Japan)	176,924	AstraZeneca PLC (United Kingdom)	1,594,129
Shire PLC (United Kingdom)	171,144	Honda Motor Co., Ltd. (Japan)	1,576,707
Micro Focus International PLC (United Kingdom)	166,193	Suncor Energy, Inc. (Canada)	1,489,417
Mitsubishi Electric Corp. (Japan)	162,307	Schlumberger, Ltd. (Curacao/United States)	1,479,028
ICICI Bank, Ltd. (India)	152,004	BNP Paribas SA (France)	1,434,522
Engie (France)	149,061	Mitsubishi Electric Corp. (Japan)	1,432,907
Johnson Controls International PLC (Ireland/United States)	138,962	UBS Group AG (Switzerland)	1,430,999
Fujitsu, Ltd. (Japan)	135,529	Johnson Controls International PLC (Ireland/United States)	1,419,724
Cemex SAB de CV ADR (Mexico)	120,880	Samsung Electronics Co., Ltd. (South Korea)	1,408,912
UniCredit SPA (Italy)	104,903	Bayer AG (Germany)	1,402,585
		Standard Chartered PLC (United Kingdom)	1,311,107
		Hewlett Packard Enterprise Co. (United States)	1,304,385
		UniCredit SPA (Italy)	1,247,431
		Koninklijke Philips NV (Netherlands)	1,220,994
		Samsung Electronics Co., Ltd. (South Korea)	1,174,320
		Equinor ASA (Norway)	1,150,774
		Telefonaktiebolaget LM Ericsson (Sweden)	1,145,585
		Bayerische Motoren Werke AG (Germany)	1,133,174
		JD.com, Inc. ADR (Cayman Islands/China)	1,111,473
		Baidu, Inc. ADR (Cayman Islands/China)	1,107,617
		Credit Suisse Group AG (Switzerland)	1,102,409
		Linde AG (Germany)	1,081,632
		Schneider Electric SA (France)	1,079,716
		Mitsubishi UFJ Financial Group, Inc. (Japan)	1,055,202
		Societe Generale SA (France)	1,053,412
		Kyocera Corp. (Japan)	1,023,490
		Engie (France)	1,002,889
		Aviva PLC (United Kingdom)	997,738
		Liberty Global PLC, Series C (United Kingdom)	992,176
		Lloyds Banking Group PLC (United Kingdom)	961,877
		Kasikornbank PCL- Foreign (Thailand)	953,109
		Grupo Televisa SAB ADR (Mexico)	922,627
		AEGON NV (Netherlands)	875,953
		Akzo Nobel NV (Netherlands)	848,027
		MTN Group, Ltd. (South Africa)	847,045
		Banco Santander SA (Spain)	834,731
		Nidec Corp. (Japan)	817,476

\* With effect from 6 December 2018, all outstanding shares of the International Stock Fund were compulsorily redeemed and the Fund ceased trading.

Significant purchases are defined as aggregate purchases of a security exceeding one percent of the total value of purchases for the year. Significant sales are defined as aggregate sales of a security exceeding one percent of the total value of sales for the year. At a minimum, the 20 largest purchases and 20 largest sales must be disclosed.



SIGNIFICANT PURCHASES		SIGNIFICANT SALES	
Comcast Corp., Class A	\$47,339,068	Merck & Co., Inc.	\$18,209,106
Wells Fargo & Co.	42,766,586	Target Corp.	11,132,709
FedEx Corp.	37,283,364	VMware, Inc.	8,156,351
Charter Communications, Inc., Class A	36,045,240	National Oilwell Varco, Inc.	7,740,798
Charles Schwab Corp.	31,458,235	Union Pacific Corp.	7,299,896
Alphabet, Inc., Class C	29,312,313	Synopsys, Inc.	7,273,722
Occidental Petroleum Corp.	29,142,608	NetApp Inc	5,861,230
Microsoft Corp.	29,127,327	AT&T, Inc.	5,817,239
Capital One Financial Corp.	28,429,014	Capital One Financial Corp.	5,054,818
MetLife, Inc.	28,401,671	Wal-Mart Stores, Inc.	4,358,446
United Technologies Corp.	27,754,778	Cigna Corp.	4,358,186
Johnson Controls International PLC (Ireland/ United States)	26,352,319	Twenty-First Century Fox, Inc., Class A	3,810,403
Bank of America Corp.	25,443,046	Corning, Inc.	3,781,876
Bank of New York Mellon Corp.	25,151,345	Eli Lilly and Co.	3,723,864
Bristol-Myers Squibb Co.	25,099,243	Bank of America Corp.	3,429,029
JPMorgan Chase & Co.	24,667,199	Maxim Integrated Products, Inc.	3,284,878
Microchip Technology, Inc.	23,141,234	UnitedHealth Group, Inc.	3,198,949
Time Warner, Inc.	23,134,049	Alnylam Pharmaceuticals, Inc.	3,045,760
Express Scripts Holding Co.	22,842,952	Microsoft Corp.	2,044,667
American Express Co.	22,801,766	Hewlett Packard Enterprise Co.	1,973,481
Anadarko Petroleum Corp.	22,449,099	Sprint Corp.	1,860,403
Apache Corp.	21,874,377	Cisco Systems, Inc.	1,842,899
Eli Lilly and Co.	21,772,869	Charles Schwab Corp.	1,618,520
CVS Health Corp.	20,715,551		
Gilead Sciences, Inc.	20,002,721		
Goldman Sachs Group, Inc.	19,973,795		
Baker Hughes, a GE Company	19,039,055		
Booking Holdings, Inc.	17,960,936		
Hewlett Packard Enterprise Co.	17,929,247		
Halliburton Co.	17,146,147		
HP Inc.	15,877,134		
Twenty-First Century Fox, Inc., Class A	14,696,228		
Qurate Retail, Inc., Series A	14,134,805		
Molson Coors Brewing Company, Class B	12,164,277		
Dell Technologies, Inc., Class V	12,161,965		
UnitedHealth Group, Inc.	11,584,555		
Schlumberger, Ltd. (Curaco/United States)	11,453,786		
TE Connectivity, Ltd.	11,332,925		

Significant purchases are defined as aggregate purchases of a security exceeding one percent of the total value of purchases for the year. Significant sales are defined as aggregate sales of a security exceeding one percent of the total value of sales for the year. At a minimum, the 20 largest purchases and 20 largest sales must be disclosed.



SIGNIFICANT PURCHASES		SIGNIFICANT SALES	
U.S. Treasury Note/Bond (United States) 1.00%, 30/11/18	\$17,976,898	U.S. Treasury Note/Bond (United States) 1.00%, 30/11/18	\$20,308,053
U.S. Treasury Note/Bond (United States) 1.50%, 31/1/19	14,486,320	Mexico Government (Mexico) 5.75%, 5/3/26	15,722,425
U.S. Treasury Note/Bond (United States) 2.50%, 31/5/20	13,491,191	U.S. Treasury Note/Bond (United States) 1.50%, 31/12/18	15,439,363
U.S. Treasury Note/Bond (United States) 1.50%, 31/12/18	11,955,000	U.S. Treasury Note/Bond (United States) 1.50%, 31/1/19	14,484,843
Mexico Government (Mexico) 8.00%, 7/11/47	9,820,782	Freddie Mac Gold, 30 Year (United States) 4.50%, 1/6/47	14,112,930
U.S. Treasury Note/Bond (United States) 1.125%, 28/2/19	9,612,094	U.S. Treasury Note/Bond (United States) 2.50%, 31/5/20	13,489,582
U.S. Treasury Note/Bond (United States) 2.625%, 15/5/21	7,886,113	Fannie Mae Pool (United States) 3.07%, 1/6/47	11,649,660
Chubb, Ltd. (Switzerland) 2.50%, 15/3/38	7,511,014	U.S. Treasury Note/Bond (United States) 1.125%, 28/2/19	9,613,066
Indonesia Government (Indonesia) 8.25%, 15/5/36	7,399,891	U.S. Treasury Note/Bond (United States) 2.625%, 15/5/21	7,894,137
Thailand Government Bill (Thailand) 5/4/18	7,298,990	Peru Government GDN (Peru) 6.35%, 12/8/28	7,369,365
Freddie Mac Gold (United States) 4.00%, 1/12/46	7,049,499	AT&T, Inc. (United States) 4.50%, 9/3/48	7,202,139
Ginnie Mae (United States) 2.10%, 20/11/67	6,617,931	Fannie Mae, 30 Year (United States) 4.50%, 18/1/48	6,416,175
AT&T, Inc. (United States) 3.15%, 4/9/36	6,612,453	Ginnie Mae (United States) 2.10%, 20/11/67	6,401,089
Bayer AG (Germany) 3.75%, 1/7/74	6,207,330	Freddie Mac Gold (United States) 4.00%, 1/12/46	6,335,510
HSBC Holdings PLC (United Kingdom) 6.50%, 15/9/37	6,110,301	Colombia Government (Colombia) 7.75%, 14/4/21	5,185,182
Enel SPA (Italy) 3.375%, 24/11/81	6,104,793	Fannie Mae Pool (United States) 4.50%, 1/6/48	4,699,282
India Government (India) 8.24%, 15/2/27	5,833,500	U.S. Treasury Note/Bond (United States) 2.50%, 30/6/20	4,481,367
Navient Student Loan Trust (United States) 2.841%, 25/3/67	5,717,000	Ginnie Mae (United States) 3.14%, 20/11/67	4,425,316
Dominion Energy, Inc. (United States) 5.75%, 1/10/54	5,083,931	HSBC Holdings PLC (United Kingdom) 6.50%, 15/9/37	3,988,746
Japan Treasury Discount Bill (Japan) 16/4/18	4,965,447	Poland Government (Poland) 1.50%, 25/4/20	3,685,872
Xerox Corp. (United States) 4.50%, 15/5/21	4,886,957	Enel Finance International NV (United States) 6.00%, 7/10/39	3,474,748
Fannie Mae Pool (United States) 4.50%, 1/6/48	4,770,317	Boston Properties, Inc. (United States) 3.85%, 1/2/23	3,219,530
U.S. Treasury Note/Bond (United States) 2.50%, 30/6/20	4,485,938	Ginnie Mae (United States) 2.56%, 20/2/68	3,025,345
Freddie Mac Military Housing Trust Multifamily (United States) 4.492%, 25/11/55	3,849,886	HSBC Holdings PLC (United Kingdom) 5.75%, 20/12/27	2,728,669
Wells Fargo & Co. (United States) 4.30%, 22/7/27	3,727,786	HSBC Holdings PLC (United Kingdom) 6.00%, 29/3/40	2,681,881
HSBC Holdings PLC (United Kingdom) 6.00%, 29/3/40	3,705,790	Chase Issuance Trust (United States) 1.27%, 15/7/21	2,670,351
Mexico Government (Mexico) 5.75%, 5/3/26	3,612,922	Freddie Mac Gold (United States) 4.50%, 1/8/47	2,546,415
Poland Government (Poland) 2.50%, 25/1/23	3,537,451		
Argentina Government (Argentina) 4.50%, 21/6/19	3,395,081		

SIGNIFICANT PURCHASES (continued)

Colombia Government (Colombia)	
3.00%, 25/3/33	3,387,449
Mexico Government (Mexico)	
2.00%, 9/6/22	3,345,587
QVC, Inc. (United States)	
4.45%, 15/2/25	3,204,740
BHP Billiton, Ltd. (Australia)	
6.75% 19/10/75	3,146,910
Ginnie Mae (United States)	
2.56%, 20/2/68	3,074,706
SLM Student Loan Trust (United States)	
3.456%, 25/9/28	3,047,778

Significant purchases are defined as aggregate purchases of a security exceeding one percent of the total value of purchases for the year. Significant sales are defined as aggregate sales of a security exceeding one percent of the total value of sales for the year. At a minimum, the 20 largest purchases and 20 largest sales must be disclosed.

TOTAL EXPENSE RATIOS (unaudited)

TOTAL EXPENSE RATIOS

The total expense ratio (“TER”) is the sum of all costs charged to each share class as a percentage of the average net assets of the share class.

	TER for the year ended 31 December 2018
<b>Global Stock Fund</b>	
USD Accumulating Class	0.65%
GBP Accumulating Class	0.65%
GBP Distributing Class	0.65% <sup>1</sup>
GBP Distributing Class (H)	0.66%
EUR Accumulating Class	0.65%
CAD Accumulating Class	0.65%
<b>International Stock Fund</b>	
USD Accumulating Class	0.65% <sup>2</sup>
EUR Accumulating Class	0.63% <sup>2</sup>
<b>U.S. Stock Fund</b>	
USD Accumulating Class	0.66%
GBP Accumulating Class	0.66% <sup>1</sup>
GBP Distributing Class	0.66%
GBP Distributing Class (H)	0.66%
EUR Accumulating Class	0.66% <sup>1</sup>
<b>Global Bond Fund</b>	
USD Accumulating Class	0.45%
GBP Distributing Class	0.45%
GBP Distributing Class (H)	0.45%
EUR Accumulating Class	0.45%
EUR Accumulating Class (H)	0.45%
EUR Distributing Class	0.45%
EUR Distributing Class (H)	0.45%

<sup>1</sup> Represents the sum of the monthly TERs for the year ended 31 December 2018

<sup>2</sup> With effect from 6 December 2018, all outstanding shares of the International Stock Fund were compulsorily redeemed and the Fund ceased trading.

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## REMUNERATION POLICY (unaudited)

In line with the requirements of the UCITS Regulations, the Company has adopted a remuneration policy which is consistent with the principles outlined in the ESMA guidelines on sound remuneration policies under the UCITS Directive (the “Remuneration Guidelines”). The remuneration policy is appropriate to the Company’s size, internal organisation and the nature, scope and complexity of its activities.

The Company’s remuneration policy applies to certain identified staff whose professional activities have a material impact on the risk profile of the Company. As at 31 December 2018, the Company did not have any employees and the Company’s remuneration policy applies only to members of the Company’s management body (i.e. the Board of Directors and designated persons). The Directors not affiliated with the Investment Manager receive a fixed annual fee which is in line with the fees paid by other Irish funds and compensates these directors for their tasks, expertise and responsibilities. Directors that are employees of the Investment Manager (or an affiliate) are not paid any fees for their services as directors.

For the year ended 31 December 2018, only the Directors not affiliated with the Investment Manager received a fixed annual fee from the Company in their roles as directors, which was in aggregate €80,000. None of the Directors are entitled to receive any variable remuneration from the Company. The Company also pays to Clifton Fund Consulting Limited (trading as KB Associates) a fixed fee at normal commercial rates for the provision of the designated persons to the Company.

In accordance with Regulation 24B(1) (b), (c), and (d) of the UCITS Regulations, the remuneration policy and its implementation is reviewed at least annually and it is confirmed that no material changes have been made to the remuneration policy during the year ended 31 December 2018.

The Company has delegated investment management to the Investment Manager. The Company has put in place contractual arrangements with the Investment Manager to receive and disclose information regarding the remuneration of the Investment Manager’s identified staff in accordance with the Remuneration Guidelines. No remuneration has been paid to staff of the Investment Manager by the Company. Instead, the Company pays a management fee to the Investment Manager as disclosed in Note 9 of the financial statements. The Investment Manager pays remuneration to its staff in accordance with the policies, procedures and processes applicable to it.

SECURITIES FINANCING TRANSACTIONS (unaudited)

Article 13 of Regulation (EU) 2015/2365 on transparency of securities financing transactions (“SFTs”) and of reuse and amending Regulation (EU) No 648/2012 requires UCITS investment companies to provide the following information on the use made of SFTs and total return swaps (“TRS”). At 31 December 2018, the Funds did not hold any TRS, and the SFTs held by the Funds consisted of the following repurchase agreements:

REPURCHASE AGREEMENTS

Global Stock Fund

Market Value	\$148,628,000
% of Net Assets	3.9%
Counterparty Name	Fixed Income Clearing Corporation
Counterparty Country of Establishment	United States
Maturity Date	2/1/19
Settlement	Bilateral
Collateral Description	Repurchase agreement is collateralised by U.S. Treasury Notes 1.375%-2.75%, 31/8/20-30/9/20. Total collateral value is \$151,602,222. The collateral is rated Aaa (Moody’s long-term rating).

U.S. Stock Fund

Market Value	\$97,527,000
% of Net Assets	5.6%
Counterparty Name	Fixed Income Clearing Corporation
Counterparty Country of Establishment	United States
Maturity Date	2/1/19
Settlement	Bilateral
Collateral Description	Repurchase agreement is collateralised by U.S. Treasury Notes 1.375%-2.75%, 30/9/20. Total collateral value is \$99,480,238. The collateral is rated Aaa (Moody’s long-term rating).

Global Bond Fund

Market Value	\$6,469,000
% of Net Assets	2.0%
Counterparty Name	Fixed Income Clearing Corporation
Counterparty Country of Establishment	United States
Maturity Date	2/1/19
Settlement	Bilateral
Collateral Description	Repurchase agreement is collateralised by U.S. Treasury Note 1.375%, 31/8/20. Total collateral value is \$6,600,746. The collateral is rated Aaa (Moody’s long-term rating).

Safekeeping & Reuse of Collateral

The Funds’ repurchase agreements are secured by collateral. State Street Custodial Services (Ireland) Limited, depositary of the Company, is responsible for the safekeeping of collateral received. The Funds did not reuse collateral received in relation to repurchase agreements. The Funds did not pledge collateral in relation to repurchase agreements.

Returns & Costs

The interest income arising from repurchase agreements earned by the Funds during the year ended 31 December 2018 is disclosed in Note 8. The interest income represents 100% of the overall returns generated by repurchase agreements. Transaction costs are embedded in the price of the instruments and are not separately disclosed.

ADMINISTRATION OF THE COMPANY (unaudited)

Board of Directors

Donal Byrne (Irish) (independent)<sup>1</sup>  
Éilish Finan (Irish) (independent)<sup>2</sup>  
Christophe Orly (French)<sup>1</sup>  
Carl O’Sullivan (Irish) (independent)<sup>2</sup>  
Rosemary Quinlan (Irish) (independent)  
Diana Strandberg (American)  
William Strickland (American)  
Steven Voorhis (American)

Registered Office of the Company

78 Sir John Rogerson’s Quay  
Dublin 2  
Ireland

Investment Manager

Dodge & Cox  
555 California Street  
40th Floor  
San Francisco  
California 94104  
United States

Distributor

Dodge & Cox Worldwide Investments Ltd.  
6 Duke Street, St. James’s  
London SW1Y 6BN  
United Kingdom

Administrator, Registrar and Transfer Agent

State Street Fund Services (Ireland) Limited  
78 Sir John Rogerson’s Quay  
Dublin 2  
Ireland

Depository

State Street Custodial Services (Ireland) Limited  
78 Sir John Rogerson’s Quay  
Dublin 2  
Ireland

Global Sub-Custodian

State Street Bank and Trust Company  
State Street Financial Center  
One Lincoln Street  
Boston  
Massachusetts 02111  
United States

Legal Advisors in Ireland

Arthur Cox  
Ten Earlsfort Terrace  
Dublin 2  
Ireland

Independent Auditors

PricewaterhouseCoopers  
Chartered Accountants and Statutory Audit Firm  
One Spencer Dock  
North Wall Quay  
Dublin 1  
Ireland

Company Secretary

Bradwell Limited  
Ten Earlsfort Terrace  
Dublin 2  
Ireland

Representative in Switzerland<sup>3</sup>

First Independent Fund Services AG  
Klausstrasse 33  
8008 Zurich  
Switzerland

Paying Agent in Switzerland

NPB Neue Privat Bank AG  
Limmatquai 1  
8024 Zurich  
Switzerland

<sup>1</sup> Donal Byrne resigned as a director of the Company with effect from 15 November 2018. Christophe Orly resigned as a director of the Company with effect from 10 January 2019.  
<sup>2</sup> Éilish Finan was appointed as a director of the Company with effect from 15 November 2018. Carl O’Sullivan was appointed as a director of the Company with effect from 16 November 2018.  
<sup>3</sup> For Swiss investors, the consolidated Swiss prospectus, constitution, key investor information documents, annual and semi-annual reports, as well as a list containing all purchases and sales which have been made during the reporting period can be obtained free of charge at the office of the Swiss representative.





