

# Research Report

Dodge & Cox Investment Managers  
Dodge & Cox Global Equity

November 2025



## Strategy

Manager	<b>Dodge &amp; Cox Investment Managers</b>
Strategy	<b>Dodge &amp; Cox Global Equity</b>
Category	<b>International Equity, Global Equity - Core Developed</b>
Date	<b>November 2025</b>

## Mercer Assessment

Idea Generation	
Portfolio Construction	
Implementation	
Business Management	
Rating	<b>A (T)</b>
ESG (Relevance/Indication)	<b>High</b>
	<b>ESG Integrated</b>

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## Mercer View

Our high regard for the Dodge & Cox Investment Managers (Dodge & Cox) Global Equity strategy is based on a stable organization with a deeply ingrained investment philosophy, top-notch investment personnel, and a consistent investment process. Dodge & Cox has a strong culture of original, in-depth fundamental research and a well-established approach to buying undervalued stocks that have attractive earnings and cash flow prospects over the next three to five years. We believe the firm's depth of experience and resources help foster differentiated perspectives on companies and its thoughtful approach to managing the business gives us confidence in the overall organization.

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## Idea Generation

**Key takeaway:** Dodge & Cox is impressive for its heavy emphasis on original research, deep team of sector-focused analysts, and the steady, consistent nature of its investment process.

Pros	Cons
<ul style="list-style-type: none"><li>A well-resourced, stable team of portfolio managers and analysts is a source of competitive advantage. We are impressed with the talent that exists within the team and the varied experiences of investment professionals that help foster differentiated perspectives.</li><li>There is a consistent and well-defined culture that promotes cross-pollination of research and strong accountability. We believe these factors contribute to the quality and consistency of idea generation.</li><li>The investment team applies a consistent investment approach that is underpinned by solid bottom-up fundamental research and a focus on attractively valued companies (in relation to intrinsic value) that possess favorable long-term (3 to 5 years) growth prospects. The strategy's genuine long-term approach enables the team to exploit short-term market dislocations and opportunities.</li><li>The GEIC provides another layer of scrutiny over investment ideas, and the periodic "all cash portfolio" exercises help to further refine the decision-making process. Dodge &amp; Cox's thorough and deliberate approach to research and oversight helps ensure that the portfolio always reflects its best thinking.</li><li>Senior team members tend to exhibit long tenures at the firm, which facilitates continuity in process and preservation of culture. The firm remains committed to further broadening the investment team over time.</li></ul>	<ul style="list-style-type: none"><li>As senior members of the investment team approach retirement age, the variables surrounding succession remain an important consideration in our ongoing evaluation. We expect the firm to remain thoughtful and transparent in conveying the long-term evolution of the team.</li><li>While the longevity of senior team members and the stable firm culture are positives, we note the potential for there to be group think given the firm's tendency to hire less experienced analysts and inculcate them in the Dodge &amp; Cox approach.</li><li>The team's focus on the long term may unintentionally translate to it being less adaptive to market changes at times.</li></ul>

## Portfolio Construction

**Key takeaway:** Portfolio construction emphasizes the team's strength of stock selection, with a deliberate approach to sizing positions based on risk/reward and underlying conviction.

Pros	Cons
<ul style="list-style-type: none"><li>A lack of formal sector constraints allows flexibility in sector positioning, but the portfolio generally exhibits good diversification across stocks and industries.</li><li>The translation of idea generation to portfolio construction is well thought out. We like that stock weights represent the team's conviction in an idea and are sensibly sized based on risk/reward.</li><li>The GEIC's awareness of sensitivities and risks at the individual stock and overall portfolio levels enhances the risk management process.</li></ul>	<ul style="list-style-type: none"><li>The portfolio can, at times, tilt heavily towards mid cap names. In addition, the team is willing to invest in out-of-favor stocks that may require patience for intrinsic value to be recognized by the market. These exposures may influence relative performance.</li><li>As a byproduct of the team's stock selection process, the portfolio may exhibit meaningful deviation in active sector/regional exposures compared to the measured index, which may lead to higher relative volatility. This can be particularly true when it comes to the strategy's emerging markets exposure. Dodge &amp; Cox is one of the more opportunistic managers when it comes to allocation to developing markets companies and this can cause significant regional exposure differences especially versus a developed-only benchmark.</li></ul>

## Implementation ■■■□

**Key takeaway:** While we believe the team is thoughtful about capacity management, the strategy's asset base is larger than many of its peers, which can lead to higher-than-average implementation friction and limit the team's ability to invest in smaller cap ideas effectively.

Pros	Cons
<ul style="list-style-type: none"><li>The firm has a history of closing its products before reaching the point at which it believes it can no longer effectively execute its investment strategy.</li><li>We like that the team takes a long-term (low turnover), deliberate approach to managing the portfolio by building up and scaling out of positions over time; placing importance on getting the assessment of a business right. In our view, this helps mitigate potential trading issues that could be associated with the firm's sizable asset base.</li><li>There is a well-resourced trading team capable of supporting efficient implementation.</li></ul>	<ul style="list-style-type: none"><li>We believe Dodge &amp; Cox applies a thoughtful approach to capacity management. That said, given the firm's sizable assets under management, we need to continue to reassess our views on implementation.</li><li>There is potential for meaningful name and asset overlap with other strategies managed at the firm. The extent to which overlap and prospective growth in assets may impact implementation is an important consideration in our continued evaluation of the strategy.</li></ul>

## Business Management ■■■■

**Key takeaway:** Dodge & Cox is an employee-owned asset management firm with a deep and stable team of investment professionals. The firm has a strong reputation in the industry and provides an abundance of resources in support of its investment capabilities.

Pros	Cons
<ul style="list-style-type: none"><li>• We like that the firm is employee-owned, a structure that should help promote longer-term stability and reinforce a commitment to investing in its core competencies.</li><li>• The stability of investment staff and continuous growth of the investment team speak to a culture that has no problem attracting and retaining talent. We believe appropriate remuneration incentives are in place, which further help align the team's interests with those of its clients.</li><li>• Dodge &amp; Cox's client-centric culture permeates all strategies, as the firm's strategy-level investment committees ensure consistency of approach and guard against product proliferation.</li><li>• Dodge &amp; Cox embraces a thoughtful and conservative approach to managing its business, which includes regular discussions surrounding the variables of long-term succession planning. Over time, we expect prospective transitions of senior leadership responsibilities to be executed in a prudent manner that is consistent with past transitions.</li><li>• We like the firm's broad commitment to preserving its core competencies and maintaining a relatively streamlined set of investment capabilities.</li></ul>	<ul style="list-style-type: none"><li>• Although Dodge &amp; Cox's size and scale is a source of competitive strength, we also recognize the potential challenges of preserving a positive and meritocratic culture within a large (and growing) team. Efforts to ensure that employees are sufficiently engaged and motivated in their roles are important elements to the firm's long-term success.</li></ul>

## ESG

### Strategy Level ESG Integration

<b>ESG Relevance<sup>1</sup></b>	High
<b>ESG Indication<sup>2</sup></b>	Integrated

<sup>1</sup>Highlights Mercer view on how relevant ESG factors are within a sub-asset class to the underlying investments and the potential for a material impact on the risk and return outcomes of investment strategies within the sub-asset class.

<sup>2</sup>Where ESG is of high or medium relevance (as noted above), the purpose of this indication is to highlight that researchers have discussed what key decision makers are doing to undertake assessment of financially material ESG factors for this strategy/fund.

## Key Takeaway

ESG considerations are incorporated, to varying degrees depending on the sector and sponsoring analyst, in the research process but are generally applied via a risk management framework. The team believes that the assessment of factors can directly and indirectly affect the long-term fundamentals of a company, specifically how these factors are reflected in security valuations. These assessments are conducted on a case-by-case basis and the extent to which these are considered is likely to vary by analyst.

## Strategy Summary

Global Equity is a bottom-up driven, appropriately diversified strategy that invests in companies where fundamentals are not fully reflected in valuations. While value is the determining factor in portfolio decisions, Dodge & Cox will invest in opportunities across the investable universe. Given the potential for short-term performance volatility relative to the benchmark, we believe a tracking error (T) designation is appropriate.

The research universe consists of stocks with market capitalizations of \$1 billion or more. The firm focuses on companies in countries with more stable political and economic systems, which, in Dodge & Cox's view, includes both developed and emerging markets. Dodge & Cox screens the stock universe on price-to-book, price-to-sales, dividend yield, and price-to-cash flow ratios. The team also makes use of information provided by consultants, street analysts, competitors, and customers of the company. Based on this research, the firm generates a three- to five-year earnings forecast in order to establish a valuation for the company within a confidence range. Additionally, analysts evaluate the company's financial staying power, estimate its ability to grow earnings and cash flow, assess the strength and depth of the management team, and attempt to identify potential risks to the firm's business model. Analysts rank a stock from one to three, with one being the best, and present their recommendations to the GEIC.

Decisions are made by the Global Equity Investment Committee (GEIC) consisting of senior investment professionals. The GEIC makes portfolio decisions by consensus. The team is supported by a deep and experienced team of global sector analysts.

<b>Strategy Characteristics</b>	
<b>Fundamental or systematic</b>	Primarily fundamental
<b>Bottom up (company driven) or top down (theme driven)</b>	Primarily bottom up
<b>Persistent factor exposure<sup>1</sup></b>	Value
<b>Expected tracking error relative to peer group</b>	Higher than median
<b>Holdings range</b>	60 - 100
<b>Maximum position size (%)</b>	No hard limit. A new position generally starts with a 0.5 to 1.0% weighting target in the portfolio, sometimes increasing from there. Position sizes typically range from 0.5% to 5% with the majority of positions between 1% and 3%.
<b>Maximum sector exposure (%)</b>	N/A
<b>Maximum country exposure (%)</b>	N/A
<b>Maximum allowable off-benchmark exposure (%)</b>	The Fund may invest in EM without limit.
<b>Maximum cash weight (%)</b>	N/A. In the past 5 years, the Fund's cash position has ranged from ~1% - 4.7%, averaging ~2%
<b>Use of risk tools</b>	Yes external and external
<b>Use of currency hedging</b>	May hedge up to 25% of the portfolio by using forward contracts
<b>Expected turnover (annualized)<sup>2</sup></b>	N/A; Historically annual turnover has averaged between 14% and 25%

<sup>1</sup>Persistent factor exposure is relative to an all-cap core benchmark.

<sup>2</sup>Calculated as the lesser of purchases and sales divided by average monthly net assets.

## Key Product Details

<b>Inception year</b>	2008	
<b>Strategy assets under management</b>	\$US21.4 billion	31 Mar 2025
<b>Benchmark</b>	MSCI ACWI	
<b>Peer group</b>	Global Equity (Core Developed)	
<b>Product capacity</b>	N/A	
<b>Open/closed</b>	Open to All Investors	
<b>Manager provided outperformance target (% pa)</b>	N/A	
<b>Manager provided tracking error (% pa)</b>	N/A	
<b>Vehicle type</b>	Segregated	
<b>Indicative fee (% pa)*</b>	0.62% on \$100m	
<b>Universe median fee (% pa)*</b>	0.63% on \$100m	

\*In practice, fees may be negotiable.

## Firm Overview and Strategy Key Decision Makers

Organization		
<b>Year firm founded</b>	1930	
<b>Headquarters</b>	London, United Kingdom San Francisco, CA, United States Shanghai, Pudong District, China	
<b>Firm structure</b>	Independent investment firm	
<b>Number of employees</b>	371	
<b>Firm assets under management</b>	\$US400 billion	31 Dec 2024

Key decision makers						
Professional	Title	Location	Primary Role	Start Year Industry	Start Year Firm	Equity Owner
David Hoeft, CFA	Senior Vice President and Associate Chief Investment Officer	San Francisco	Portfolio Manager	1993	1993	Y
Roger Kuo, CFA	President	San Francisco	Portfolio Manager	1995	1998	Y
Steven Voorhis, CFA	Senior Vice President, Director of Research & Investment Committee Member	San Francisco	Analyst	1994	1996	Y
Lily Beischer, CFA	Vice President and Global Industry Analyst	San Francisco	Analyst	2001	2001	Y
Raymond Mertens, CFA	Senior Vice President, and Global Industry Analyst	San Francisco	Portfolio Manager	1998	2003	Y

Key decision makers (KDMs) are defined as portfolio managers, dedicated analysts and investment committee members who are significantly involved in a specific investment strategy portfolio's / fund's decision making. These KDMs drive the investment decisions and implementation of the portfolio and are accountable for the outcomes of that strategy.

Staff Numbers	
Analyst	22
Portfolio manager	6

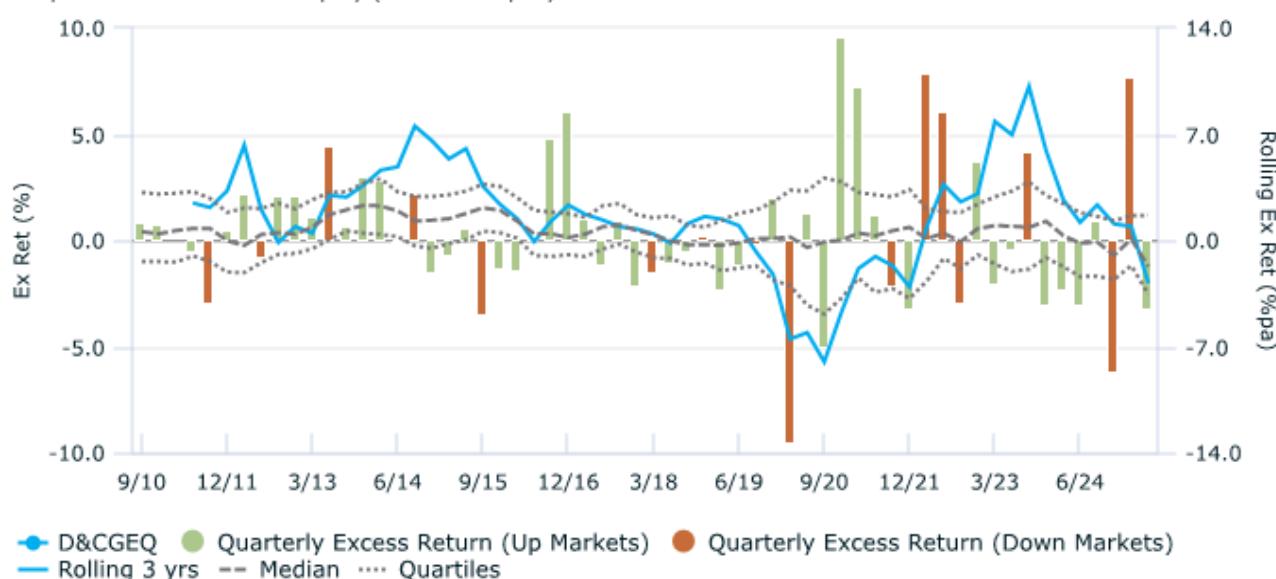
## Track Record

### Track Record Details

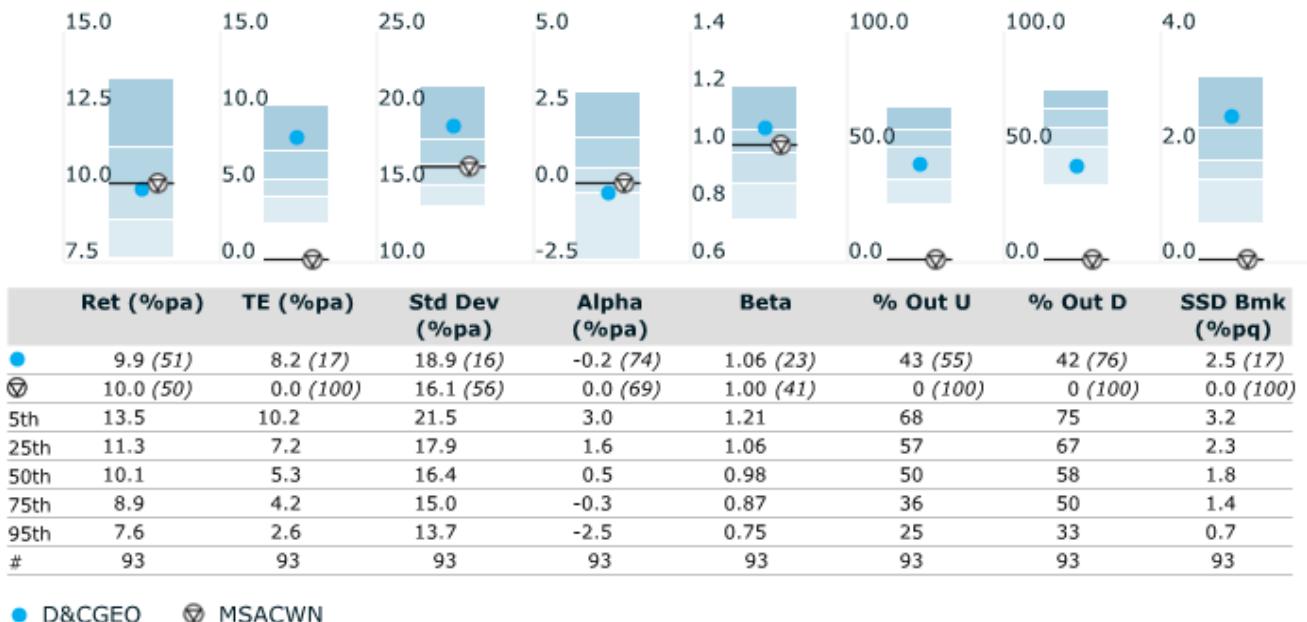
<b>Track record</b>	Dodge & Cox Global Stock Fund - Gross of Fees (D&CGEQ)	<b>Mercer universe</b>	Global Equity (Core Developed)
<b>Base currency</b>	\$US	<b>Track record type</b>	Representative Account
<b>Gross/net of fees</b>	Gross	<b>GIPS compliant</b>	N/A
<b>Benchmark</b>	MSCI AC World (Net) (MSACWN)	<b>Track record assets</b>	US\$11588.045m 31 Mar 25

Quarterly Excess Return vs. MSCI AC World (Net) with rolling 3 yr line in \$US (before fees) over 15 yrs ending June-25

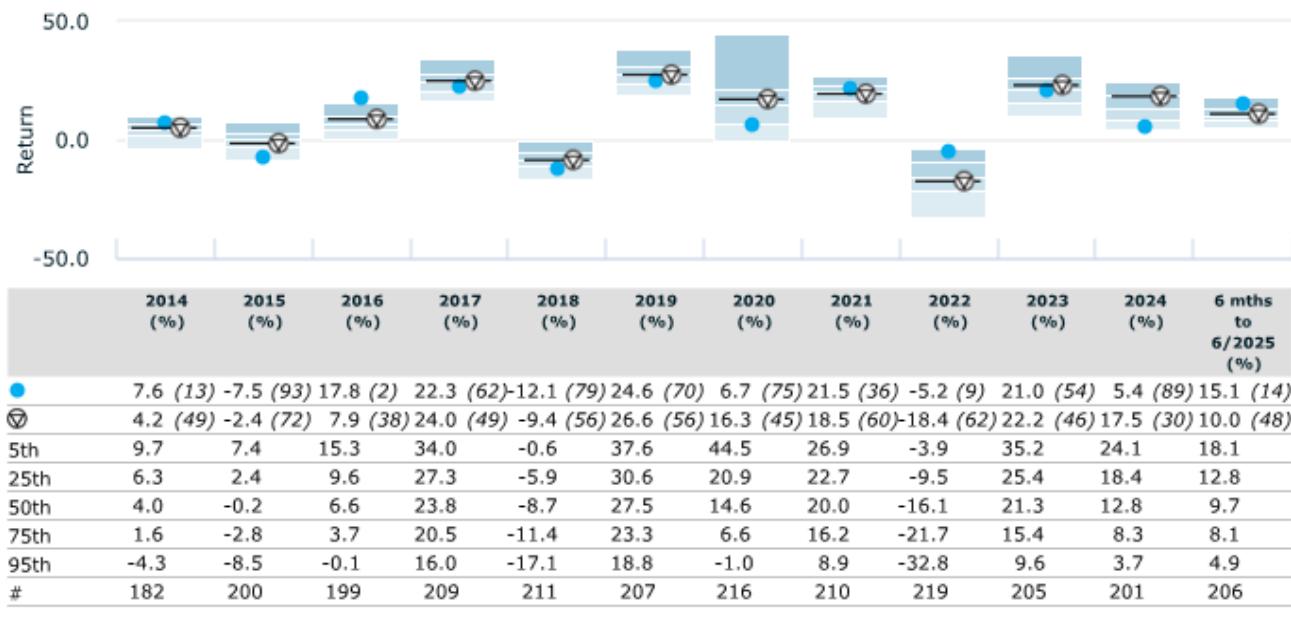
Comparison with the Global Equity (Core Developed) universe



Performance characteristics vs. MSCI AC World (Net) in \$US (before fees) over 10 yrs ending June-25  
Comparison with the Global Equity (Core Developed) universe (Percentile Ranking) (quarterly calculations)



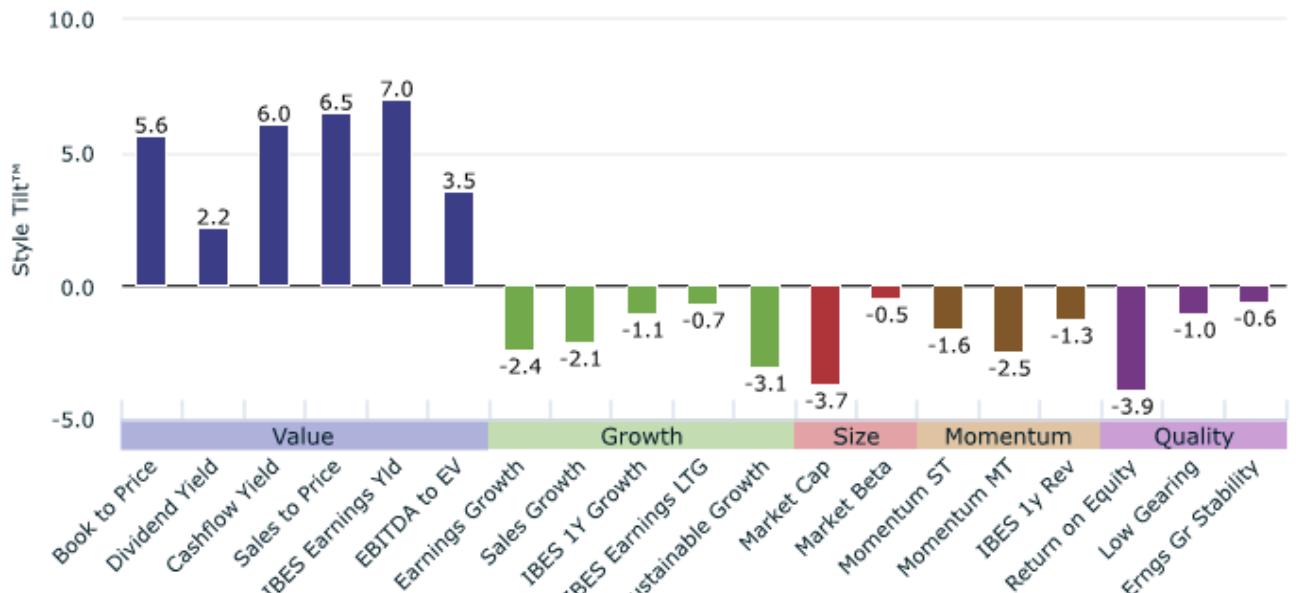
Return in \$US (before fees) over last 12 calendar years ending June-25  
Comparison with the Global Equity (Core Developed) universe (Percentile Ranking)



## Portfolio Holdings

Portfolio Characteristics			
<b>Date of analysis</b>	30 Jun 2025	<b>Adjustment used for style tilts</b>	Unadjusted
<b>Benchmark used for analysis</b>	MSCI World Free	<b>Cash</b>	4.0%
<b>Number of stocks</b>	95	<b>Selected portfolio fundamentals</b>	Weighted Average (Benchmark)
<b>Effective number of stocks</b>	69	- <b>Forward earnings yield</b>	7.5% (5.1%)
<b>Predicted tracking error</b>	6.2%	- <b>Market cap</b>	\$238bn (\$784bn)
<b>Predicted beta</b>	0.85	- <b>ROE</b>	13.8% (27.7%)
<b>Coverage ratio</b>	10.3%	- <b>Dividend yield</b>	2.1% (1.7%)
<b>Predicted vol (benchmark)</b>	15.3% (16.6%)	- <b>Debt/equity ratio</b>	115.4% (100.7%)

## Mercer Selected Style Skyline™ vs. MSCI World Free as at June-25

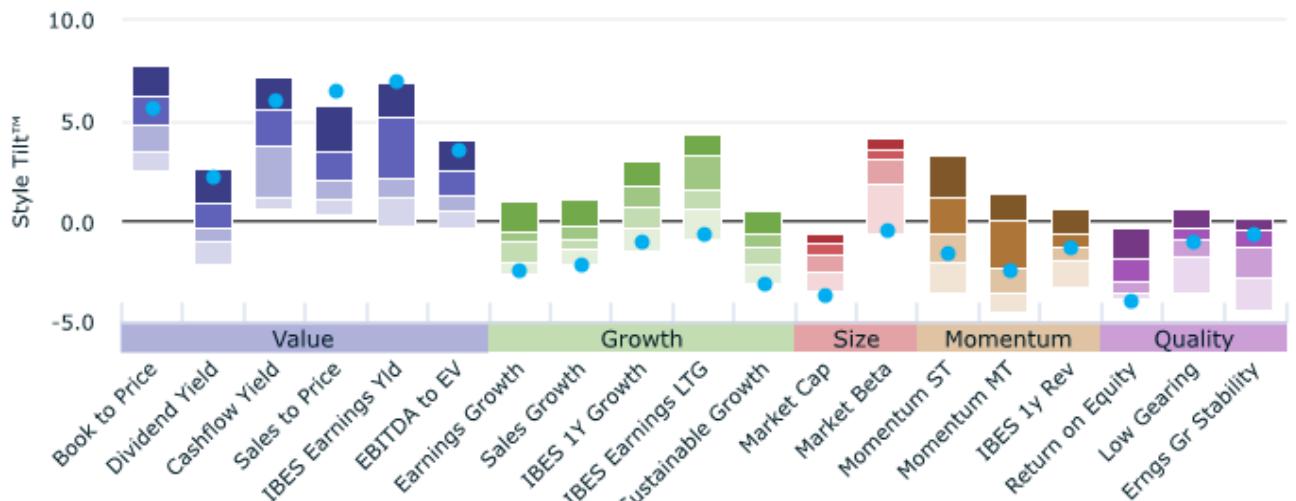


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## Mercer Selected Style Skyline™ vs. MSCI World Free as at June-25

Comparison with historical range (June-08 to June-25)

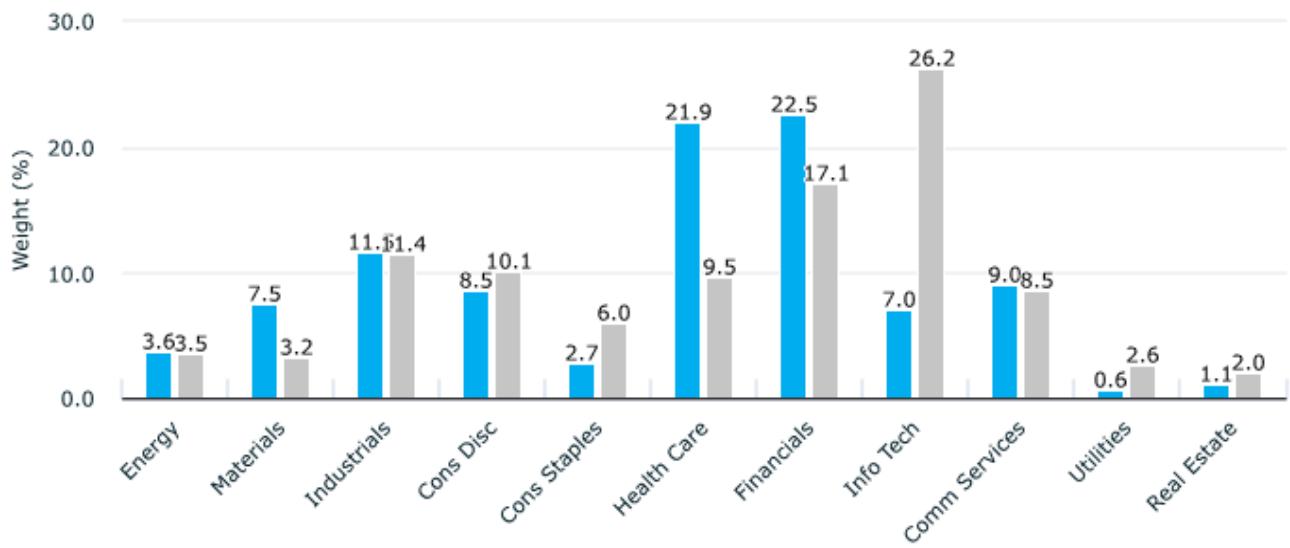


## ● D&amp;CGEQ

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## Sector Allocation vs. MSCI World Free as at June-25



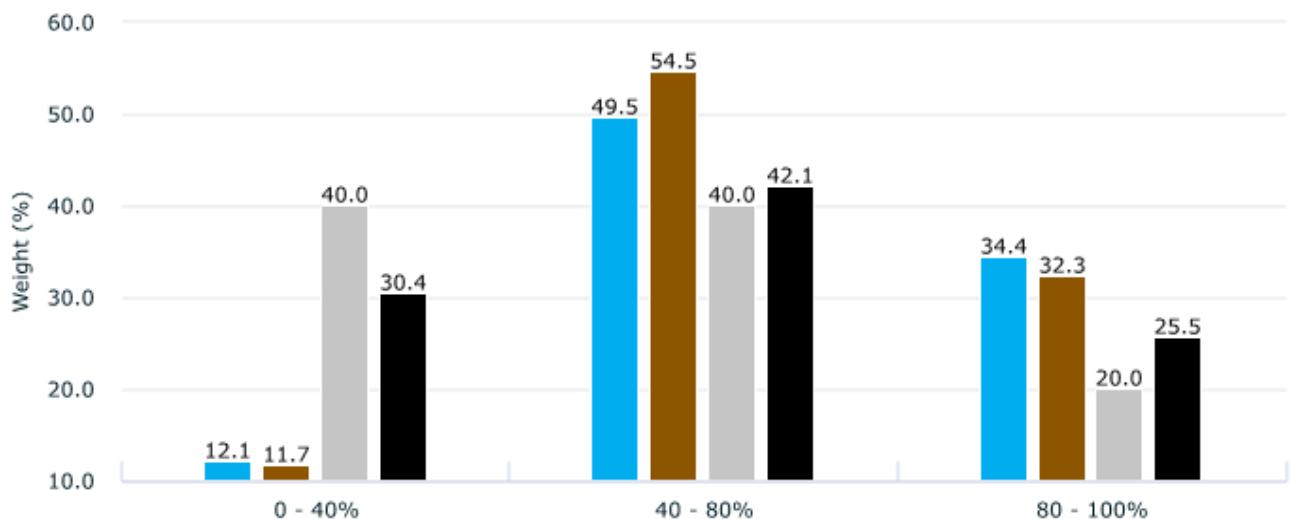
● D&CGEQ ● MSWF

\* For sector allocation analysis prior to October 2018, the sector Communication Services was known as Telecommunication Services. This was created with, embodies and/or executes proprietary software and/or data under license from Style Analytics Ltd. © 2025 Style Analytics Ltd. All rights reserved. Style Analytics, Style Research, Peer Insights, Style Skyline, Style Tilt and StyleResearch® are registered trademarks of Style Analytics. StyleAnalytics™ is a trademark of Style Analytics.



## Size Distribution vs. MSCI World Free as at June-25

Comparison with Global Equity Universe



● D&CGEQ ● D&CGEQ (Mar-25) ● MSWF ● Average

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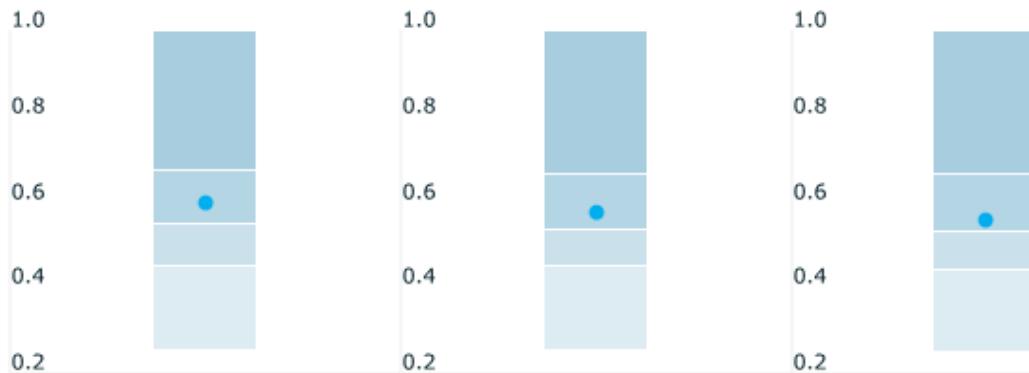


## Fee Schedule

The table below shows the fee scale applicable for a representative vehicle for this strategy. Note that this may only include the manager's remuneration and may not include other expenses that investors may incur. Fees may be negotiable, particularly for larger mandates, and a performance related fee scale may be offered.

Vehicle name	Vehicle type	Fee scale	Minimum account size
Dodge & Cox Global Equity	Segregated	0.6% on the first \$500 million 0.45% on the balance	\$500m

Fees 500m (%), Fees 600m (%), Fees 700m (%) in \$US  
Comparison with the Global Equity universe



	Fees 500m (%)	Fees 600m (%)	Fees 700m (%)
● D&CGEQ	0.60	0.58	0.56
5th Percentile	1.00	1.00	1.00
Upper Quartile	0.67	0.67	0.66
Median	0.55	0.54	0.53
Lower Quartile	0.45	0.45	0.44
95th Percentile	0.25	0.25	0.25
Number	476	474	473

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## Risk warnings

- The value of stocks and shares, including unit trusts, can go down as well as up and you may not get back the amount you have invested.
- Investments denominated in a foreign currency will fluctuate with the value of the currency.
- Certain investments, such as illiquid, leveraged or high-yield instruments or funds and securities issued by small capitalization and emerging market issuers, carry additional risks that should be considered before choosing an investment manager or making an investment decision.
- For higher volatility investments, losses on realization may be high because their value may fall suddenly and substantially.
- Where investments are not domiciled and regulated locally, the nature and extent of investor protection will be different to that available in respect of investments domiciled and regulated locally. In particular, the regulatory regimes in some domiciles are considerably lighter than others, and offer substantially less investor protection. Where an investor is considering whether to make a commitment in respect of an investment which is not domiciled and regulated locally, we recommend that legal advice is sought prior to the commitment being made.