



DODGE & COX® WORLDWIDE FUNDS PLC

An umbrella fund with segregated liability between sub-funds

# Annual Report

For the year ended 31 December 2015

Global Stock Fund

International Stock Fund

U.S. Stock Fund

Global Bond Fund

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This annual report and audited financial statements (the "Report and Accounts") may be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Report and Accounts. To the extent that there is any inconsistency between the English language Report and Accounts and the Report and Accounts in another language or any ambiguity in relation to the meaning of any word or phrase in another language, the English language Report and Accounts will prevail. Any disputes as to the terms of the Report and Accounts, regardless of the language of the Report and Accounts, shall be governed by and construed in accordance with the laws of Ireland.

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## BACKGROUND TO THE COMPANY

Dodge & Cox Worldwide Funds plc (the “Company”) was incorporated in Ireland on 25 September 2009 as a public limited company under the Companies Act 2014 (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 May 2014, as amended by the supplement to the prospectus dated 19 December 2014 (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:

<b>FUND NAME AND ACTIVE SHARE CLASSES</b>	<b>COMMENCEMENT OF OPERATIONS</b>
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
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
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

\* “(H)” denotes hedged share class

## INVESTMENT OBJECTIVES

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

### *Fund Objectives and Policies*

#### **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 from at least three different countries located anywhere in the world, including Emerging Market Countries.

#### **International 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 non-U.S. companies from at least three different non-U.S. countries located anywhere in the world, including Emerging Market Countries.

#### **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 seek to provide shareholders with a high rate of total return, consistent with long-term preservation of capital. The Fund seeks to achieve its objectives 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, including 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 2015.

### DIRECTORS

The name and nationality of persons who were Directors during the year ended 31 December 2015 are:

Donal A. Byrne (Irish) (independent)  
Toby E. Goold (English)  
Thomas M. Mistele (American)  
Diana S. Strandberg (American)  
Steven C. Voorhis (American)  
Brendan M. Walsh (Irish) (independent)

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

At 31 December 2015, the following Directors held shares (all USD Accumulating Class Shares) in the Funds: Diana S. Strandberg held 500,000 (2014: 500,000) shares in the Global Stock Fund and 697,018 (2014: 697,018) shares in the U.S. Stock Fund, and Thomas M. Mistele held 100,000 (2014: 100,000) shares in the Global Stock Fund and 199,404 (2014: 199,404) 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 of the Company for the financial year. The Directors have prepared the financial statements in accordance with International Financial Reporting Standards.

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 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 "Custodian") to safekeep the Company's assets in accordance with the Memorandum and Articles of Association of the Company. 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.

### CORPORATE GOVERNANCE CODE

The Board of Directors assessed all measures included in the Irish Funds (formerly the Irish Funds Industry Association) 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>.

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## DIRECTORS' REPORT

### 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.

### RESULTS AND DISTRIBUTIONS

The results of operations and distributions for the year are set out in the Statement of Comprehensive Income.

### 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.

### DEALINGS WITH CONNECTED PARTIES

Regulation 41(1) of the the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (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 parties; and (b) all transactions with connected parties 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/ Donal A. Byrne

Director

23 March 2016

/s/ Thomas M. Mistele

Director

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## INDEPENDENT AUDITORS' REPORT

To the members of Dodge & Cox Worldwide Funds plc

### REPORT ON THE FINANCIAL STATEMENTS

#### Our opinion

In our opinion, Dodge & Cox Worldwide Funds plc's financial statements (the "financial statements"):

- give a true and fair view of the Company's and Funds' assets, liabilities and financial position as at 31 December 2015 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).

#### What we have audited

The financial statements comprise:

- the statement of financial position as at 31 December 2015;
- the statement 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 2015; and
- the notes to the financial statements for the Company and for each of the Funds which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and IFRSs as adopted by the European Union.

In applying the financial reporting framework, the Directors have made a number of subjective judgments, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

#### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY THE COMPANIES ACT 2014

- 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.
- In our opinion the information given in the Directors' Report is consistent with the financial statements.

#### MATTER ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

##### 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.

#### RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

##### Our responsibilities and those of the Directors

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

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## INDEPENDENT AUDITORS' REPORT

To the members of Dodge & Cox Worldwide Funds plc

### What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Directors' judgments against available evidence, forming our own judgments, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Marie O'Connor  
for and on behalf of PricewaterhouseCoopers  
Chartered Accountants and Statutory Audit Firm  
Dublin  
23 March 2016

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## CUSTODIAN'S REPORT

We have enquired into the conduct of Dodge & Cox Worldwide Funds plc (the "Company"), for the year ended 31 December 2015, in our capacity as Custodian 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 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 CUSTODIAN

Our duties and responsibilities are outlined 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 Memorandum and Articles of Association 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 Custodian must state why this is the case and outline the steps which we have taken to rectify the situation.

### BASIS OF CUSTODIAN OPINION

The Custodian conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined 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 its constitutional documentation and the appropriate regulations; and (ii) otherwise in accordance with the Company's constitutional documentation and the appropriate 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 Memorandum and Articles of Association, the UCITS Regulations and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (the "Central Bank UCITS Regulations"); and
- (ii) otherwise in accordance with the provisions of the Memorandum and Articles of Association, the UCITS Regulations and the Central Bank UCITS Regulations.

State Street Custodial Services (Ireland) Limited  
78 Sir John Rogerson's Quay  
Dublin 2  
Ireland  
23 March 2016

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## INVESTMENT MANAGER'S REPORT

### GLOBAL STOCK FUND

#### MARKET COMMENTARY

Global growth expectations declined during 2015. Slower growth in China, the largest consumer of raw materials worldwide, was of particular significance as it negatively impacted commodity prices, as well as the currencies of commodity-driven economies. Global copper prices plummeted 24% and oil prices plunged 35%. The Brazilian real and South African rand depreciated 33% and 25%, respectively, relative to the U.S. dollar. Prospects for higher U.S. interest rates, coupled with the U.S. dollar's sharp appreciation against major global currencies, further exacerbated conditions for those emerging market economies in need of external financing. As a result, while the MSCI Emerging Markets Index was down 6% in local currency for the year, it was down 15% in U.S. dollars.

In Europe, a dampened economic recovery and a weaker inflation outlook led the European Central Bank to extend its asset purchase program aimed at reviving the economy. The Bank of Japan, in turn, introduced measures to supplement its already large Quantitative and Qualitative Easing Program, as economic activity softened and inflation hovered around zero. In contrast, economic activity in the United States expanded at a moderate pace: household spending and business investment increased, the housing market strengthened, and labour market conditions continued to improve, with solid job gains and reduced unemployment. After a significant selloff in August and September, the S&P 500 rebounded during the fourth quarter to finish the year up just over 1%.

#### INVESTMENT STRATEGY

As a value-oriented manager, 2015 was a challenging year for absolute and relative performance. Across equities, value stocks (the lower valuation portion of the market) underperformed growth stocks (the higher valuation portion of the market) by one of the widest spreads since the global financial crisis. The Fund was significantly affected by this performance divergence. For example, in the United States, many higher-valuation growth companies, not held by the Fund, outperformed significantly. In addition, emerging markets collectively underperformed developed markets. The Fund's investments in individual companies domiciled in a number of especially weak emerging market countries (including Brazil, South Africa, and Turkey) negatively impacted results. Finally, several individual holdings—HP Inc<sup>(a)</sup>, MTN Group, Petrobras, and Standard Chartered—meaningfully detracted from results for the year.

Throughout 2015, we continued to revisit and retest our thinking on many of the Fund's holdings. Our equity and fixed income teams regularly work together to evaluate risk and reward as we look at investment opportunities around the world. As part of our bottom-up research process, our investment teams thoroughly investigated individual company concerns, challenged analyst assumptions, and conducted further due diligence. In addition, we conducted macroeconomic reviews to evaluate the key factors affecting a company's capital structure, end-market demand, and relative competitiveness. Through this comprehensive process, we reaffirmed our view that the Fund's holdings have attractive valuations relative to their fundamental outlook over our three- to five-year investment horizon.

During the year, valuation disparities widened globally: companies with higher valuations became more expensive relative to companies with lower valuations. As valuations became more attractive, we added selectively to existing holdings, including Bank of America, EMC Corp., HP Inc., and Standard Chartered<sup>(b)</sup>. We also identified 6 new investment opportunities (including Anthem, Cisco, JD.com, and Priceline) and exited 17 holdings (including PayPal and Unilever).

We continue to be optimistic about the long-term outlook for the portfolio. Our value-oriented approach has led us to invest in companies where we believe the long-term potential is not reflected in the current price. Three examples—Standard Chartered, Hewlett Packard Enterprise, and HP Inc.—are discussed below.

#### Standard Chartered

Standard Chartered, domiciled in the United Kingdom, provides consumer and wholesale banking services to customers in Asia, Africa, and the Middle East. The company has a strong global franchise with a broad network across the developing world that would be very difficult to replicate. Standard Chartered's global payments and trade business is a particular strength: local roots from its longstanding presence allow for local currency funding, and cooperation across the network provides integrated wholesale banking services to clients. During 2015, Standard Chartered's performance suffered from the slowdown in emerging markets, large fines from legacy issues, rising restructuring costs, and deteriorating asset quality. As a result, Standard Chartered's stock was down 39%<sup>(c)</sup> in U.S. dollars and its valuation fell to 0.6 times tangible book value, a historically low level<sup>(d)</sup>.

In 2015, we met with Standard Chartered's new executive team on multiple occasions to better understand its strategy and priorities. This management team is focused on streamlining the organisation and prioritising profitability over growth. They have a realistic assessment of current balance sheet issues, as evidenced by the recent \$5.1 billion capital raise that provides ample new capital to fortify the balance sheet, resolve legacy issues, and accelerate their restructuring plans. The company seeks to cut costs, exit peripheral businesses, and increase investments to improve systems and further diversify its geographic footprint. In addition, Standard Chartered has been able to attract high-calibre talent with some key new hires. Based on the bank's leading franchise, strong balance sheet, management's initiatives, and low valuation, we recently added to the holding. On 31 December, Standard Chartered was a 2.1% position in the Fund.

#### Hewlett Packard Enterprise and HP Inc.

After providing strong returns in 2013 and 2014, Hewlett-Packard was the Fund's largest detractor from results during 2015. Hewlett-Packard recently split into two entities—Hewlett Packard Enterprise and HP Inc.—which should result in greater focus and flexibility for each company to achieve its strategic goals. To assess secular challenges and evaluate the risks and opportunities of each stand-alone business, we met numerous times with their management

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## INVESTMENT MANAGER'S REPORT GLOBAL STOCK FUND

teams and competitors and spoke with industry consultants. As a result, Hewlett Packard Enterprise was a 1.7% position and HP Inc. was a 1.4% position in the Fund on 31 December.

Hewlett Packard Enterprise, one of the largest vendors in information technology (IT), consists of the enterprise technology infrastructure, software, and services segments of the old Hewlett-Packard. We acknowledge the company faces headwinds: the shift to the cloud has negatively impacted all on-premise IT vendors, continued public cloud adoption will likely erode the company's market share, and competition is keen. Despite these risks, we believe Hewlett Packard Enterprise is an attractive investment due to its strong market positions across its portfolio (e.g., top provider of servers, number two position in IT services), scale advantages, and opportunities to improve its margin structure. Meg Whitman—the CEO of Hewlett Packard Enterprise—has overseen sound acquisitions (e.g., 3Par), new product launches, and cost reduction programs during her tenures at Hewlett-Packard and eBay. Management is actively cutting costs and retooling its product and service offerings to improve the company's competitiveness. Margins in the Enterprise Services segment should expand as the company optimises its contract mix and delivery models. The company trades at a compelling valuation (eight times forward estimated earnings), which is among the lowest in the S&P 500.

As the leader in printing and personal computer sales globally, HP Inc.'s key challenge is declining revenues. Partly due to the stronger U.S. dollar, consensus estimates have the company's sales declining approximately 10% in 2016. Many investors believe a shrinking market for hardware and ink may be too difficult to overcome; we believe this view of the

company's prospects is too pessimistic. HP's management is aggressively cutting costs and has plans to introduce more new products. For example, HP has portions of its printing business (e.g., high-end graphics production) that are currently growing and may increase share in the established copier market and in the more nascent 3D print market. Moreover, the company generates robust free cash flow. Trading at seven times forward estimated earnings, HP remains an attractive investment opportunity with strong business prospects given its large valuation discount to the overall market.

### IN CLOSING

Global equity valuations are attractive: the MSCI World Index traded at 15.7 times forward estimated earnings (compared to a 20-year average of 16.2 times) with a 2.6% dividend yield at year end. Valuation disparities have widened significantly, creating more opportunities for value-oriented investors. We are identifying attractively valued investments in both developed and emerging markets and continue to be optimistic about the long-term outlook for the portfolio.

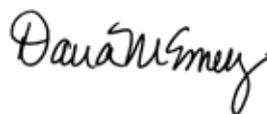
Our experienced and stable team has weathered past periods of market turbulence by remaining steadfast in our investment process and philosophy. Our approach—constructing a diversified portfolio through in-depth, independent research, a three- to five-year investment horizon, and a focus on valuation relative to underlying fundamentals—continues to guide us through this period. We remain confident that our enduring value-oriented approach will benefit the Fund in the years ahead.

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

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



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



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

2 February 2016

<sup>(a)</sup> After Hewlett-Packard Co. split into two companies, HP Inc. retained the HPQ ticker symbol. HP Inc.'s -37% return in 2015 includes Hewlett-Packard Co.'s performance through October 2015.

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

<sup>(c)</sup> All returns are total returns unless otherwise noted.

<sup>(d)</sup> Unless otherwise specified, all weightings and characteristics are as of 31 December 2015.

## INVESTMENT MANAGER'S REPORT GLOBAL STOCK FUND

### AVERAGE ANNUAL TOTAL RETURN

For periods ended 31 December 2015	1 Year	3 Years	5 Years	Since Inception <sup>1</sup>
Global Stock Fund				
USD Accumulating Class	-8.43%	9.01%	6.66%	7.50%
GBP Accumulating Class	-3.18	12.60	7.86	9.46
GBP Distributing Class	-3.27	N/A	N/A	9.38
EUR Accumulating Class	1.95	16.31	11.17	13.37
CAD Accumulating Class	9.00	21.66	13.94	14.35
MSCI World Index (USD)	-0.89	9.63	7.59	8.47

<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. CAD Accumulating Class inception date is 1 October 2010. The MSCI World Index return is measured from 1 December 2009.

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 [dodgeandcoxworldwide.com](http://dodgeandcoxworldwide.com) 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 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.

### 2015 PERFORMANCE REVIEW

The USD Accumulating Class underperformed the MSCI World by 7.5 percentage points in 2015.

#### Key Detractors from Relative Results

- The Fund's average overweight position in emerging markets (17% versus 0% for the MSCI World), a particularly weak region of the portfolio (down 21%), significantly detracted from results.
- Relative returns in the Financials sector (down 15% compared to down 4% for the MSCI World sector), especially in the emerging markets, hurt performance. BR Malls (down 53%), Kasikornbank (down 39%), Standard Chartered (down 39%), and ICICI Bank (down 28%) all detracted.
- Weak returns in the Consumer Staples sector (down 18% compared to up 6% for the MSCI World sector) hurt results. Wal-Mart (down 27%) lagged.
- The Fund's holdings in the Telecommunication Services sector (down 23% compared to up 2% for the MSCI World sector) had a negative impact. MTN Group (down 53%) was a meaningful detractor.
- Additional detractors included Teck Resources (down 69% since date of purchase), Petrobras (down 55%), HP Inc. (down 37%), and Time Warner (down 23%).

#### Key Contributors to Relative Results

- Strong returns from the Fund's holdings in the Health Care Providers and Services industry (up 18% compared to up 12% for the MSCI World industry) contributed to results. Cigna (up 42%) and UnitedHealth Group (up 18%) were notable performers.
- The Fund's holdings in the Automobiles industry (up 11% compared to up 1% for the MSCI World industry) aided performance. Nissan Motor (up 24%) and Honda Motor (up 13%) performed well.
- Additional contributors included Nintendo (up 61% to date of sale), New Oriental Education & Technology (up 54%), Alphabet (up 45%), and Time Warner Cable (up 25%).

**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 [dodgeandcoxworldwide.com](http://dodgeandcoxworldwide.com).

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## INVESTMENT MANAGER'S REPORT INTERNATIONAL STOCK FUND

### MARKET COMMENTARY

In 2015, the U.S. dollar appreciated sharply against both developed and emerging market currencies: the MSCI EAFE (Europe, Australasia, Far East) Index was up 5% in local currency and down 1% in U.S. dollars, while the MSCI Emerging Markets Index was down 6% in local currency and down 15% in U.S. dollars.

Global growth expectations declined and emerging markets faced significant macroeconomic challenges during the year. Fears of slowing growth in China were amplified by the government's decision to devalue the renminbi. Since China is the world's largest consumer of most raw materials, its weaker outlook negatively impacted commodity prices (e.g., global copper prices plummeted 24% and oil prices plunged 35%) and commodity-driven economies around the globe. For example, in South Africa, where mining accounts for approximately 50% of its foreign exchange earnings<sup>(a)</sup>, the rand depreciated 25% against the U.S. dollar. In addition, prospects for higher U.S. interest rates negatively affected those economies in need of external financing. Facing both fiscal and current account deficits, Brazil's fiscal and political struggles intensified, and the Brazilian real depreciated 33% against the U.S. dollar during 2015.

In developed markets, a dampened economic recovery and a weaker inflation outlook in the Eurozone led the European Central Bank to extend its asset purchase program aimed at reviving the economy. The Bank of Japan, in turn, introduced measures to supplement its already large Quantitative and Qualitative Easing Program, as economic activity softened and inflation hovered around zero. In contrast, economic activity in the United States expanded at a moderate pace: household spending and business investment increased, the housing market strengthened, and labour market conditions continued to improve, with solid job gains and reduced unemployment.

### INVESTMENT STRATEGY

The Fund's results in 2015 were disappointing and stemmed from three main factors. First, value stocks (the lower valuation portion of the market) underperformed growth stocks (the higher valuation portion of the market) by one of the widest spreads since the global financial crisis. The Fund, which is value-oriented, was significantly affected by this performance divergence. Second, emerging markets collectively underperformed developed markets. The Fund's investments in individual companies domiciled in a number of especially weak emerging market countries (including Brazil, South Africa, and Turkey) negatively impacted results. Third, some individual holdings—HP Inc.<sup>(b)</sup>, MTN Group, Petrobras, and Standard Chartered—meaningfully detracted from results for the year.

During 2015, we extensively revisited and retested our thinking on many of the Fund's holdings in the context of changing macroeconomic conditions and valuations. Our equity and fixed income teams regularly work together to evaluate risk and reward as we look at investment opportunities around the world and across the capital structure; this collaboration intensified during 2015. As part of our bottom-up research process, a broad cross section of our team thoroughly investigated individual company

concerns, vetted investment assumptions, and conducted further due diligence. For example, groups of portfolio managers and analysts travelled together across the globe to meet with company managements, government officials, suppliers, competitors, and consultants. In addition, we conducted macroeconomic reviews to evaluate the key factors affecting a company's access to and cost of capital, end-market demand, and relative competitiveness. Through this comprehensive process, we reaffirmed our view that the Fund's holdings have attractive valuations, strong competitive positions, and favourable growth prospects over our three- to five-year investment horizon.

In 2015, companies with higher valuations became more expensive relative to companies with lower valuations. As a result of changing valuations, we initiated 8 new holdings (including AstraZeneca, Cemex, Hyundai Motor, and JD.com<sup>(c)</sup>) and sold 11 holdings (including Imperial Tobacco Group and Standard Bank of South Africa) during the year. We also added to a number of our existing holdings domiciled in and exposed to the developing world as their valuations became increasingly attractive. At year end, 23.4% of the Fund was invested in companies domiciled in emerging markets, while 41.4% of the Fund was invested in companies that derive more than 40% of their revenues from the developing world, regardless of domicile<sup>(d)</sup>. Itau Unibanco (in Brazil), Schneider Electric (in France), and Standard Chartered (in the United Kingdom)—examples of such adds in the Fund—are discussed below.

### Itau Unibanco

Itau Unibanco, Brazil's leading bank, has strong market positions in consumer credit and payments and is exposed to under-penetrated areas of the financial market that are poised to grow over the next three to five years. Brazil's struggling economy and sharp currency depreciation weighed substantially on Itau Unibanco's stock price during 2015 (down 41%<sup>(e)</sup> in U.S. dollars). We conducted both on-the-ground and other due diligence with company management and government officials to evaluate economic and company-specific concerns. What we found reaffirmed our view that Itau's management has proactively managed credit risk by reducing exposures and raising provisions. Management is focused on enhancing shareholder value and has a solid track record of capital allocation. Beyond this cycle, management is investing for the future and strengthening Itau's competitive advantage. For example, Itau continues to invest in online access to better serve the needs of affluent customers and more efficiently handle payments and transactions for its retail customer base. At 1.6 times tangible book value, Itau trades at a 10-year low valuation. While political and macroeconomic instability has plagued Brazil, we believe Itau is an attractive long-term investment opportunity and added to the holding. On 31 December, Itau was a 1.7% position in the Fund.

### Schneider Electric

Schneider Electric, a 2.2% position in the Fund, is a global leader in electrical products, systems, and services such as low- and medium-voltage gear, factory automation equipment and systems, and uninterruptible power supply

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## INVESTMENT MANAGER'S REPORT INTERNATIONAL STOCK FUND

solutions for data centres. While incorporated in France, Schneider derives only 27% of its revenues from Western Europe and more than 40% of its sales come from emerging markets. Thus, Schneider is a prime example that a company's domicile does not always reflect its true revenue exposure. Schneider's stock performed poorly in 2015 (down 21% in U.S. dollars) due to lower than expected construction and industrial activity, driven in large part by a slowdown in China, Russia, and Brazil.

Despite these end-market headwinds, Schneider has high-quality business franchises with number one or two market positions in over 75% of its revenues and attractive returns on tangible capital. We believe the company can grow given its exposure to megatrends such as global electrification, energy efficiency, and factory automation. We have had numerous conversations with management and confirmed they are proactively managing the company's cost structure, portfolio of businesses, and capital. Management recently initiated a EUR 1.0-1.5 billion share buyback program. Schneider has a strong balance sheet and trades at 13 times estimated forward earnings, a discount to its peers and the market.

### Standard Chartered

Standard Chartered, domiciled in the United Kingdom, provides consumer and wholesale banking services to customers in Asia, Africa, and the Middle East. The company has a strong global franchise with a broad network across the developing world that would be very difficult to replicate. Standard Chartered's global payments and trade business is a particular strength: local roots from its longstanding presence allow for local currency funding, and cooperation across the network provides integrated wholesale banking services to clients. During 2015, Standard Chartered's performance suffered from the slowdown in emerging markets, large fines from legacy issues, rising restructuring costs, and deteriorating asset quality. As a result, Standard Chartered's stock was down 39% in U.S. dollars and its valuation fell to 0.6 times tangible book value, a historically low level.

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



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

2 February 2016

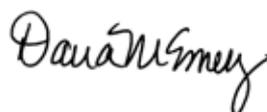
In 2015, we met with Standard Chartered's new executive team on multiple occasions to better understand its strategy and priorities. This management team is focused on streamlining the organisation and prioritising profitability over growth. They have a realistic assessment of current balance sheet issues, as evidenced by the recent \$5.1 billion capital raise that provides ample new capital to fortify the balance sheet, resolve legacy issues, and accelerate their restructuring plans. The company seeks to cut costs, exit peripheral businesses, and increase investments to improve systems and further diversify its geographic footprint. In addition, Standard Chartered has been able to attract high-calibre talent with some key new hires. Based on the bank's leading franchise, strong balance sheet, management's initiatives, and low valuation, we recently added to the holding. On 31 December, Standard Chartered was a 2.3% position in the Fund.

### IN CLOSING

International equity valuations are attractive: the MSCI EAFE traded at 14.7 times forward estimated earnings (compared to a 20-year average of 15.9 times) with a 3.2% dividend yield at year end. Valuation disparities have widened significantly, creating more opportunities for value-oriented investors. We are identifying attractively valued investments in both developed and emerging markets and continue to be optimistic about the long-term outlook for the portfolio.

Our experienced and stable team has weathered past periods of market turbulence by remaining steadfast in our investment process and philosophy. Our approach—constructing a diversified portfolio through in-depth, independent research, a three- to five-year investment horizon, and a focus on valuation relative to underlying fundamentals—continues to guide us through this period. We remain confident that our enduring value-oriented approach will benefit the Fund in the years ahead.

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



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

(a) Foreign exchange earnings are the proceeds from exporting goods and services and exchanging currencies in global markets.

(b) After Hewlett-Packard Co. split into two companies, HP Inc. retained the HPQ ticker symbol. HP Inc.'s -37% return in 2015 includes Hewlett-Packard Co.'s performance through October 2015.

(c) The use of specific examples does not imply that they are more attractive investments than the Fund's other holdings.

(d) Unless otherwise specified, all weightings and characteristics are as of 31 December 2015.

(e) All returns are total returns unless otherwise noted.

## INVESTMENT MANAGER'S REPORT INTERNATIONAL STOCK FUND

### AVERAGE ANNUAL TOTAL RETURN

<i>For periods ended 31 December 2015</i>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>Since Inception<sup>1</sup></b>
International Stock Fund				
USD Accumulating Class	-11.56%	3.89%	3.13%	5.41%
EUR Accumulating Class	-1.58	10.85	N/A	7.73
MSCI EAFE Index (USD)	-0.82	5.02	3.61	5.48

<sup>1</sup> USD Accumulating Class inception date is 10 September 2010. EUR Accumulating Class inception date is 1 March 2011. The MSCI EAFE return is measured from 10 September 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 [dodgeandcoxworldwide.com](http://dodgeandcoxworldwide.com) 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 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. 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 EAFE is a service mark of MSCI Barra.

### 2015 PERFORMANCE REVIEW

The USD Accumulating Class underperformed the MSCI EAFE by 10.7 percentage points in 2015.

#### Key Detractors from Relative Results

- Weak returns from the Fund's holdings in the Financials sector (down 19% compared to down 3% for the MSCI EAFE sector), especially in the developing world, hurt results. Itau Unibanco (down 41%), Kasikornbank (down 39%), Standard Chartered (down 39%), and ICICI Bank (down 28%) performed poorly.
- The Fund's holdings in the Telecommunication Services sector (down 24% compared to up 3% for the MSCI EAFE sector) were notable detractors. MTN Group (down 53%) and America Movil (down 31%), both emerging market companies, were particularly weak.
- The Fund's holdings in the Industrials sector (down 13% compared to flat for the MSCI EAFE sector) negatively impacted performance. Tyco International (down 26%) and Schneider Electric (down 21%) lagged.
- Additional detractors included Teck Resources (down 70% since date of purchase), Petrobras (down 55%), HP Inc. (down 37%), and Schlumberger (down 16%).

#### Key Contributors to Relative Results

- The Fund's average underweight position in the Metals & Mining industry (0.4% versus 3% for the MSCI EAFE industry), a weaker area of the market (down 40%), helped performance.
- Strong returns from the Fund's holdings in the Automobiles industry (up 12% compared to up 2% for the MSCI EAFE industry) aided results. Nissan Motor (up 24%), Yamaha Motor (up 14%), and Honda Motor (up 13%) performed well.
- Additional contributors included Infineon Technologies (up 40%), Nintendo (up 34%), Imperial Tobacco Group (up 24% to date of sale), and Naspers (up 5%).

**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 [dodgeandcoxworldwide.com](http://dodgeandcoxworldwide.com).

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## INVESTMENT MANAGER'S REPORT

### U.S. STOCK FUND

#### MARKET COMMENTARY

U.S. equity markets were volatile in 2015: after a significant selloff in August and September, the S&P 500 Index rebounded during the fourth quarter to finish the year up just over 1%. Global oil prices declined 35% during the year, which aided U.S. household purchasing power and hindered the profitability of oil and gas companies. Consumer Discretionary was the strongest sector (up 10%) of the S&P 500, while Energy was the worst-performing sector (down 21%).

In the United States, economic activity expanded at a moderate pace: household spending and business investment increased, and the housing market strengthened. Labour market conditions continued to improve, with solid job gains and reduced unemployment. Growth was tempered by the stronger U.S. dollar and weaker demand for U.S. exports. In December, the U.S. Federal Reserve (Fed) raised the federal funds rate for the first time in nine years. The 0.25 percentage point increase ended a historic seven-year period with the federal funds rate close to 0%, aimed at stimulating the economy. Fed Chair Janet Yellen reiterated the Fed's intent to normalise monetary policy gradually; the timing and size of future adjustments will be based on economic conditions in relation to the Fed's goals of maximum employment and 2% inflation.

Global growth expectations declined and emerging markets faced significant macroeconomic challenges during the year. China's slowing economic growth contributed to depressed commodity prices (e.g., global copper prices plummeted 24%) and weighed on the global economy. The stronger U.S. dollar and prospects for higher U.S. interest rates negatively affected economies in need of external financing, such as Brazil.

#### INVESTMENT STRATEGY

As a value-oriented manager, 2015 was a challenging year for absolute and relative performance. Across equities, value stocks (the lower valuation portion of the market) underperformed growth stocks (the higher valuation portion of the market) by one of the widest spreads since the global financial crisis. The Fund was significantly affected by this performance divergence. Many of the S&P 500's higher-valuation growth companies, not held by the Fund, outperformed significantly. In addition, some individual Fund holdings (e.g., HP Inc.<sup>(a)</sup>, Time Warner, Wal-Mart) significantly detracted from results for the year, and the Fund's Energy holdings were negatively impacted by falling oil prices.

We extensively revisited and retested our thinking on many of the Fund's holdings during 2015. Our equity and fixed income teams regularly work together to evaluate risk and reward as we look at investment opportunities across a company's capital structure, and this collaboration intensified during the year. As a part of our bottom-up research process, our investment teams thoroughly investigated individual company concerns, challenged analyst assumptions, and conducted further due diligence. For example, a group of portfolio managers and analysts travelled to Houston to better understand shale economics and met with company

management teams, suppliers, competitors, and industry consultants. In addition, we conducted intensive reviews to evaluate the key factors affecting a company's capital structure, end-market demand, and relative competitiveness. Through this comprehensive process, we reaffirmed our view that the Fund's holdings have attractive valuations relative to their fundamental outlook over our three- to five-year investment horizon.

During the year, U.S. valuation disparities widened overall: companies with higher valuations became more expensive relative to companies with lower valuations. As valuations became more attractive, we added selectively to existing holdings, including Baker Hughes, Bank of America, Cigna, EMC Corp., HP Inc., and MetLife<sup>(b)</sup>. We also identified 8 new investment opportunities (including American Express, Anthem, Concho Resources, and VMware) and exited 11 holdings (including Chevron, General Electric, and PayPal).

We continue to be optimistic about the long-term outlook for the portfolio. Our value-oriented approach has led us to invest in companies where we believe the long-term potential is not reflected in the current price. Three examples—American Express, Hewlett Packard Enterprise, and HP Inc.—are discussed below.

#### American Express

American Express—the largest new purchase in the Fund during 2015—provides charge and credit card products and travel-related services to consumers and businesses worldwide. The company is the number one credit/charge card issuer and merchant acquirer in the United States measured by billed business, and its network is the second largest after Visa. Historically, American Express has generated attractive returns due to its vertical integration and strong value proposition for high-spending customers.

In 2015, American Express' stock price declined 24%<sup>(c)</sup> due to concerns that the company's business model is under pressure: Costco U.S. and JetBlue terminated their exclusive relationships with the card company and the Department of Justice questioned American Express' ability to enforce rules prohibiting merchants from steering customers to other credit cards. As a result, American Express' valuation relative to the market is at a historically low level (13 times forward estimated earnings<sup>(d)</sup>). We initiated a position in the company because we believe these near-term concerns have obscured a long-term investment opportunity. The company has an attractive business model that produces high returns on capital by encouraging more affluent and creditworthy customers to use the company's credit and charge cards. American Express' highly perceived rewards program, customer service, and strong brand recognition help attract and retain wealthier customers. The company should benefit from a continued industry shift from paper to plastic payments and growth in its third-party issued cards business. We believe American Express will be able to maintain its strong return on equity and improve profitability in the long run. On 31 December, American Express was a 1.4% position in the Fund.

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## INVESTMENT MANAGER'S REPORT U.S. STOCK FUND

### Hewlett Packard Enterprise and HP Inc.

After providing strong returns in 2013 and 2014, Hewlett-Packard was the Fund's largest detractor from results during 2015. Hewlett-Packard recently split into two entities—Hewlett Packard Enterprise and HP Inc.—which should result in greater focus and flexibility for each company to achieve its strategic goals. To assess secular challenges and evaluate the risks and opportunities of each stand-alone business, we met numerous times with their management teams and competitors and spoke with industry consultants. As a result, we added to the Fund's positions in both companies. On 31 December, Hewlett Packard Enterprise was a 2.5% position and HP Inc. was a 1.8% position in the Fund.

Hewlett Packard Enterprise, one of the largest vendors in information technology (IT), consists of the enterprise technology infrastructure, software, and services segments of the old Hewlett-Packard. We acknowledge the company faces headwinds: the shift to the cloud has negatively impacted all on-premise IT vendors, continued public cloud adoption will likely erode the company's market share, and competition is keen. Despite these risks, we believe Hewlett Packard Enterprise is an attractive investment due to its strong market positions across its portfolio (e.g., top provider of servers, number two position in IT services), scale advantages, and opportunities to improve its margin structure. Meg Whitman—the CEO of Hewlett Packard Enterprise—has overseen sound acquisitions (e.g., 3Par), new product launches, and cost reduction programs during her tenures at Hewlett-Packard and eBay. Management is actively cutting costs and retooling its product and service offerings to improve the company's competitiveness. Margins in the Enterprise Services segment should expand as the company optimises its contract mix and delivery models. The company trades at a compelling valuation (eight times forward estimated earnings), which is among the lowest in the S&P 500.

As the leader in printing and personal computer sales globally, HP Inc.'s key challenge is declining revenues. Partly due to the stronger U.S. dollar, consensus estimates have the company's sales declining approximately 10% in 2016. Many investors believe a shrinking market for hardware and ink may be too difficult to overcome; we believe this view of the company's prospects is too pessimistic. HP's management is aggressively cutting costs and has plans to introduce more new products. For example, HP has portions of its printing business (e.g., high-end graphics production) that are currently growing and may increase share in the established copier market and in the more nascent 3D print market. Moreover, the company generates robust free cash flow. Trading at seven times forward estimated earnings, HP remains an attractive investment opportunity with strong business prospects given its large valuation discount to the overall market.

### IN CLOSING

On 31 December, the Fund's portfolio of 61 companies traded at 13.8 times forward estimated earnings, a significant discount to the S&P 500 (17.4 times forward estimated earnings). We remain confident in the prospects for the portfolio over our three- to five-year investment horizon and believe it is positioned to benefit from long-term global growth opportunities.

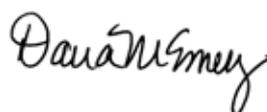
Our experienced and stable team has weathered past periods of market turbulence by remaining steadfast in our investment philosophy and process. Our approach—constructing a diversified portfolio through in-depth, independent research, a long-term investment horizon, and a focus on valuation relative to underlying fundamentals—continues to guide us through this period. We remain confident that our enduring value-oriented approach will benefit the Fund in the years ahead.

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

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



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



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

2 February 2016

(a) After Hewlett-Packard Co. split into two companies, HP Inc. retained the HPQ ticker symbol. HP Inc.'s -37% return in 2015 includes Hewlett-Packard Co.'s performance through October 2015.

(b) The use of specific examples does not imply that they are more attractive investments than the Fund's other holdings.

(c) All returns are total returns unless otherwise noted.

(d) Unless otherwise specified, all weightings and characteristics are as of 31 December 2015.

## INVESTMENT MANAGER'S REPORT

### U.S. STOCK FUND

#### AVERAGE ANNUAL TOTAL RETURN

For periods ended 31 December 2015	1 Year	3 Years	5 Years	Since Inception <sup>1</sup>
U.S. Stock Fund				
USD Accumulating Class	-4.97%	13.85%	11.02%	11.99%
GBP Accumulating Class	0.48	17.60	12.30	13.19
GBP Distributing Class	0.45	N/A	N/A	9.38
EUR Accumulating Class	5.78	21.45	15.72	15.96
S&P 500 Index (USD)	1.41	15.14	12.58	13.80

<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. 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 [dodgeandcoxworldwide.com](http://dodgeandcoxworldwide.com) 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 McGraw Hill Financial.

#### 2015 PERFORMANCE REVIEW

The USD Accumulating Class underperformed the S&P 500 by 6.4 percentage points in 2015.

##### Key Detractors from Relative Results

- The Fund's holdings in the Consumer Discretionary sector (down 6% compared to up 10% for the S&P 500 sector) hindered performance. Media holdings Twenty-First Century Fox (down 29%) and Time Warner (down 23%) were particularly weak.
- Wal-Mart, the Fund's only holding in the Consumer Staples sector (down 27% compared to up 7% for the S&P 500 sector), hurt returns.
- The Fund's holdings in the Information Technology sector (flat compared to up 6% for the S&P 500 sector) detracted from results. HP Inc. (down 37%) and NetApp (down 35%) performed poorly.
- The Fund's holdings in the Energy sector (down 27% compared to down 21% for the S&P 500 sector) hurt results. National Oilwell Varco (down 47%), Apache (down 28%), and Schlumberger (down 16%) were key detractors.
- Capital One (down 11%) was also a detractor.

##### Key Contributors to Relative Results

- The Fund's average overweight position (6% versus 3%) and holdings in the Health Care Providers & Services industry (up 19% compared to up 12% for the S&P 500 industry) helped returns. Cigna (up 42%) and UnitedHealth Group (up 18%) were particularly strong.
- In the Materials sector (up 14% compared to down 9% for the S&P 500 sector), the Fund's only holding, Celanese, and lack of holdings in the Metals & Mining industry (down 39%) contributed to results.
- Additional contributors included Alphabet (up 45%), Time Warner Cable (up 25%), Maxim Integrated Products (up 23%), Microsoft (up 23%), and Charles Schwab (up 10%).

**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

Market volatility increased throughout 2015, particularly in late summer following China's decision to devalue the renminbi. Numerous concerns contributed to "risk-off" behavior, including China's ongoing structural adjustments, further declines in commodity prices, financial and political turmoil in some emerging markets, and important policy moves by major central banks. The U.S. dollar continued to strengthen against almost all currencies, which was the main driver of the Barclays Global Aggregate Bond Index's (Barclays Global Agg) negative return, as it overwhelmed the income earned during the year. Widening yield premiums<sup>(a)</sup> also drove price declines for credit securities<sup>(b)</sup>.

Global economic and policy divergence continued during 2015. The U.S. economy saw another year of solid growth underpinned by dynamism in consumption, investment, housing, and the labour market, which offset weakness in the manufacturing sector. The U.S. Federal Reserve (Fed) increased the federal funds rate by 0.25 percentage points after seven years at the so-called zero lower bound, citing progress in the recovery and assessing that inflation should move towards the 2% target over the medium term. In contrast, the economic outlook in the Eurozone remained challenged by considerable slack and weak inflation. This led the European Central Bank to continue easing during the year, taking deposit rates further into negative territory, extending its asset purchase program until at least March 2017, and expanding the pool of purchasable securities. Facing similar challenges, the Bank of Japan introduced measures to augment its already large Quantitative and Qualitative Easing Program. Despite large intra-year swings, 10-year yields in the United States, Germany, and Japan ended the year nearly unchanged at 2.27%, 0.63%, and 0.27%, respectively. The euro and the Japanese yen depreciated by 10.2% and 0.4%, respectively, against the U.S. dollar.

Emerging markets faced significant headwinds during 2015. China's growth deceleration below 7%, the slowest yearly pace in years, dampened the outlook of its main trading partners and put downward pressure on global commodity prices. In particular, oil prices declined to the lowest level since the financial crisis, affecting growth and fiscal dynamics of exporting countries. Idiosyncratic events also contributed to financial turmoil in some emerging markets, such as Brazil and South Africa. In turn, interest rates rose in several emerging markets and many currencies depreciated against the U.S. dollar—ranging from the Brazilian real's 32.9% at the higher end, to the Indian rupee's 4.7% at the lower end. As in 2014, Asian oil importers and countries with economic reform momentum fared better than commodity exporters or countries with political challenges.

Investment-grade corporate bonds performed relatively poorly as yield premiums widened, especially during the third quarter. Energy, basic materials and/or below-investment grade issuers fared worst, while financials were among the strongest performers. Supply and demand dynamics were negative, as supply was high due to record levels of M&A financing and demand weakened given accelerating outflows from credit funds in the second half of the year.

### INVESTMENT STRATEGY

2015 was a challenging year for the Fund as currency depreciation and widening credit yield premiums drove negative performance. Declining commodity prices and weakness in several emerging market economies and credits had a particularly large negative impact on the Fund.

The broad investment themes of the Fund remained largely intact over the course of the year, but positioning shifted, substantially in some areas, as our conviction around some existing themes grew. The Fund continues to have a defensive posture via interest rate risk (i.e., low duration<sup>(c)</sup>), a majority of holdings in credit securities, high exposure to the U.S. dollar, and a sizable (27%<sup>(d)</sup>) exposure to emerging market currencies and credits. As the valuation and economic landscape evolved over the year, we increased the Fund's credit exposure, decreased foreign currency exposure, and reduced interest rate exposure.

### Credit: Identifying Opportunities

The Fund's large allocation to credit securities was a detractor from performance, as credit yield premiums rose to levels not seen since 2013. Within the Fund's credit holdings, commodity-related issuers such as Kinder Morgan, Rio Oil Finance Trust, and Pemex<sup>(e)</sup>, had the weakest performance. Amid this changing valuation backdrop, we found a number of individual opportunities that resulted in an increase in the Fund's corporate bond weighting, from 54% to 58%. We added to a diverse group of issuers by geography, sector, and credit rating category.

One source of credit additions to the Fund was M&A-related financing, which created an abundant source of supply for the markets to absorb. Many companies seek to delever subsequent to these transactions, aligning incentives with bondholders. Our global industry analyst team develops a view of the strategic rationale for each M&A transaction and compiles a financial forecast that enables us to assess issuers' deleveraging capabilities across a range of outcomes, while our fixed income analyst team focuses on the balance sheet and liquidity implications, particularly in downside scenarios. Examples of recent M&A-related investments include Actavis (a pharmaceutical company buying Allergan), CRH (a building materials company buying assets from Lafarge and Holcim), and Imperial Tobacco (purchasing assets from Reynolds American).

We also conducted considerable research on the energy and metals & mining sectors, where valuations changed most significantly, seeking credits trading at attractive valuations with strong business franchises and the ability to withstand lower commodity prices for a sustained period. We made several additions to the portfolio including a position in Concho Resources, an independent exploration and production company and one of the largest producers in the Permian Basin. Concho Resources has one of the lowest break-even oil prices in the industry, significant valuable oil reserves, and a strong management team with a conservative approach to leverage. Another addition to the portfolio was Chilean state-owned Codelco, the world's largest copper producer, accounting for around 10% of global copper production. We believe the strong AA-rated Chilean

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## INVESTMENT MANAGER'S REPORT GLOBAL BOND FUND

sovereign would support Codelco if needed, and that the long-term supply and demand outlook for copper is favorable given limited supply and consumer-driven demand.

While credit spreads ended the year at levels reflecting a perceived rise in defaults or a potential recession, we do not believe that either scenario is likely. Leverage levels are reasonable, interest coverage is robust, and the U.S. economy is growing at a moderate pace. As such, we believe many bonds are trading at attractive levels. The wide dispersion of valuations in credit today is conducive to our rigorous research process and focus on security selection. We remain optimistic about the prospects for the Fund's credit holdings.

### Currency: Strong U.S. Dollar Continues

As in 2014, nearly every currency depreciated against the U.S. dollar in 2015. These declines hurt the Fund's performance, especially the depreciation of several Latin American currencies that accelerated in the latter half of the year. However, relative to the Barclays Global Agg, on the whole, the Fund's currency positioning was slightly additive to performance, largely because of the Fund's significant underweight to the euro.

During the year, we significantly increased the Fund's U.S. dollar weighting (from approximately 60% to 80%) as the divergence in economic strength and monetary policy between the United States and much of the rest of the world was cemented. Early in the year, we reduced exposure to the euro and other euro-correlated currencies (e.g., Swedish krona and British pound). These trims were driven by low yield levels and the likelihood that the European Central Bank would take actions that could weaken the euro versus the dollar. Later in the year, in the midst of weakening Chinese growth and a change to the Chinese currency regime, we reduced the Fund's exposure to Asian emerging market currencies, including the Malaysian ringgit, the Indonesian rupiah, and the South Korean won. Depreciation pressure for these currencies is likely to continue, as they are exporters to China and/or competitors with China. One brighter spot in the region is India, as it has fewer linkages with China, positive reform momentum, accelerating growth, solid macro policies, and is a net beneficiary from lower oil prices. In accordance with this favorable view, we increased the Fund's exposure to the Indian rupee during the year.

Approximately 13% of the Fund's holdings are denominated in four Latin American currencies (Mexican peso, Brazilian real, Colombian peso, and Chilean peso), which have been battered by a number of forces including commodity price declines, weakening sentiment towards emerging markets, and idiosyncratic challenges in the case of Brazil. Our constructive outlook for these currencies is based on their mix of high yield levels, low valuations, the prospect for a stabilisation or recovery of commodity prices, and, in the case of Mexico, the medium-term benefits of structural reforms.

### Rates: What Happens After "Liftoff"?

Developed market rates ended relatively unchanged over the course of 2015, despite important central bank moves, incessant media commentary about U.S. long-term rates, and some intra-year volatility. The U.S. 10-year rate increased just 0.1 percentage points during the year, and Japanese and German 10-year yields moved even less.

Our views regarding interest rate risk have not changed materially. We are operating in an environment where the price impact of a rise in rates could easily overwhelm the low yield/income of most developed market government bonds. As such, the Fund's duration is 3.2 years, less than half that of the Barclays Global Agg. We see a clear disconnect between the far slower pace of rate increases implied by current U.S. Treasury valuations and the Fed's stated expectations, particularly in the context of a modestly expanding economy (more than 2% growth is expected over the next several years) and an inflation rate likely to rise as energy and import prices increase.

### IN CLOSING

The Fund's recent performance has been disappointing, but we retain a view that the vast global bond universe provides ample opportunity for investors over the long term. We remain confident in our investment strategy and process, which is based on robust fundamental research and a focus on relative valuation, and believe the current environment is conducive to our disciplined credit and currency selection processes. Acknowledging that bond prices and currencies can be volatile in the short term, we remain focused on the long term.

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

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



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



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

2 February 2016

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

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

<sup>(d)</sup> Unless otherwise specified, all weightings and characteristics are as of 31 December 2015.

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

## INVESTMENT MANAGER'S REPORT GLOBAL BOND FUND

### AVERAGE ANNUAL TOTAL RETURN

<i>For periods ended 31 December 2015</i>	<i>1 Year</i>	<i>Since Inception (1 May 2014)</i>
Global Bond Fund		
USD Accumulating Class	-6.25%	-5.19%
GBP Distributing Class	-0.81	2.83
GBP Distributing Class (H)	-6.22	-5.18
EUR Accumulating Class	4.38	9.71
EUR Accumulating Class (H)	-6.78	-5.69
EUR Distributing Class	4.36	9.70
EUR Distributing Class (H)	-6.80	-5.70
Barclays Global Aggregate Bond Index (USD)	-3.17	-3.62

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 [dodgeandcoxworldwide.com](http://dodgeandcoxworldwide.com) 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 Barclays Global Aggregate Bond Index is a widely recognized, unmanaged index of multi-currency, investment-grade debt securities. Barclays® is a trademark of Barclays Bank PLC.

### 2015 PERFORMANCE REVIEW

The Fund underperformed the Barclays Global Agg by 3.1 percentage points in 2015.

#### Key Detractors from Relative Results

- The Fund's exposure to Latin American currencies (13%<sup>1</sup> versus 0.4% for the Barclays Global Agg), including the Brazilian real, Mexican peso, Colombian peso, and Chilean peso, detracted from relative returns as these currencies depreciated versus the U.S. dollar.
- The Fund's commodity-related credit holdings underperformed, led by Kinder Morgan and Teck Resources in North America, as well as Pemex, Petrobras, and Rio Oil Finance Trust in Latin America.
- The Fund's relatively high corporate exposure (54% versus 17% for the Barclays Global Agg) detracted from relative returns as corporate yield premiums rose.

#### Key Contributors to Relative Results

- The Fund's underweight to the euro (6% versus 26% for the Barclays Global Agg) contributed significantly to relative returns as the euro depreciated 10.2% versus the U.S. dollar.
- The Fund's nominal yield advantage was a positive factor.

<sup>1</sup> Unless otherwise noted, figures cited in this section denote Fund 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).

**PORTFOLIO OF INVESTMENTS  
GLOBAL STOCK FUND**

31 December 2015

**COMMON STOCKS:  
93.5% [94.6% at 31 December 2014<sup>(a)</sup>]**

	Shares	Value	% of Fund
<b>CONSUMER DISCRETIONARY: 21.3% [17.8%]</b>			
<b>AUTOMOBILES &amp; COMPONENTS: 5.4% [4.3%]</b>			
Bayerische Motoren Werke AG (Germany)	211,050	\$22,227,468	1.1
Honda Motor Co., Ltd. (Japan)	1,065,500	34,140,259	1.8
Mahindra & Mahindra, Ltd. (India)	865,066	16,541,271	0.8
Nissan Motor Co., Ltd. (Japan)	1,997,900	20,923,718	1.1
Yamaha Motor Co., Ltd. (Japan)	495,500	11,103,548	0.6
		<u>104,936,264</u>	<u>5.4</u>
<b>CONSUMER DURABLES &amp; APPAREL: 0.6% [0.9%]</b>			
Coach, Inc. (United States)	335,900	10,994,007	0.6
<b>CONSUMER SERVICES: 0.5% [0.2%]</b>			
New Oriental Education & Technology Group, Inc. ADR (Cayman Islands/China)	291,605	9,147,649	0.5
<b>MEDIA: 11.9% [11.3%]</b>			
Comcast Corp., Class A (United States)	432,200	24,389,046	1.3
DISH Network Corp., Class A (United States)	267,700	15,307,086	0.8
Grupo Televisa SAB ADR (Mexico)	487,700	13,270,317	0.7
Liberty Global PLC LiLAC, Series C (United Kingdom)	21,150	909,450	0.0
Liberty Global PLC, Series C (United Kingdom)	537,500	21,913,875	1.1
Naspers, Ltd. (South Africa)	362,500	49,692,855	2.5
Television Broadcasts, Ltd. (Hong Kong)	311,900	1,285,824	0.1
Time Warner Cable, Inc. (United States)	326,500	60,595,135	3.1
Time Warner, Inc. (United States)	707,800	45,773,426	2.3
		<u>233,137,014</u>	<u>11.9</u>
<b>RETAILING: 2.9% [1.1%]</b>			
JD.com, Inc. ADR (Cayman Islands/China)	575,900	18,581,414	0.9
Target Corp. (United States)	210,200	15,262,622	0.8
The Priceline Group, Inc. (United States)	18,300	23,331,585	1.2
		<u>57,175,621</u>	<u>2.9</u>
		<u>415,390,555</u>	<u>21.3</u>
<b>CONSUMER STAPLES: 1.8% [3.9%]</b>			
<b>FOOD &amp; STAPLES RETAILING: 1.4% [2.1%]</b>			
Wal-Mart Stores, Inc. (United States)	443,400	27,180,420	1.4
<b>FOOD, BEVERAGE &amp; TOBACCO: 0.4% [1.8%]</b>			
Anadolu Efes Biracilik ve Malt Sanayii AS (Turkey)	1,349,200	8,738,989	0.4
		<u>35,919,409</u>	<u>1.8</u>
<b>ENERGY: 5.6% [6.3%]</b>			
Apache Corp. (United States)	357,500	15,898,025	0.8
Baker Hughes, Inc. (United States)	517,100	23,864,165	1.2
National Oilwell Varco, Inc. (United States)	329,300	11,028,257	0.6
Saipem SPA (Italy)	1,634,700	13,140,611	0.7
Schlumberger, Ltd. (Curacao/United States)	498,400	34,763,400	1.8
Weatherford International PLC (Ireland)	1,292,600	10,844,914	0.5
		<u>109,539,372</u>	<u>5.6</u>

**FINANCIALS: 22.3% [22.7%]**

	Shares	Value	% of Fund
<b>BANKS: 10.9% [9.2%]</b>			
Bank of America Corp. (United States)	3,053,000	\$51,381,990	2.6
Barclays PLC (United Kingdom)	11,101,600	35,825,128	1.9
ICICI Bank, Ltd. (India)	6,551,210	25,845,869	1.3
Kasikornbank PCL- Foreign (Thailand)	4,413,500	18,246,354	0.9
Siam Commercial Bank PCL- Foreign (Thailand)	1,759,500	5,806,525	0.3
Standard Chartered PLC (United Kingdom)	4,967,481	41,280,093	2.1
Wells Fargo & Co. (United States)	565,700	30,751,452	1.6
Yapi ve Kredi Bankasi AS (Turkey)	2,653,175	2,993,055	0.2
		<u>212,130,466</u>	<u>10.9</u>
<b>DIVERSIFIED FINANCIALS: 7.7% [8.0%]</b>			
Bank of New York Mellon Corp. (United States)	513,000	21,145,860	1.1
Capital One Financial Corp. (United States)	413,800	29,868,084	1.5
Charles Schwab Corp. (United States)	1,244,200	40,971,506	2.1
Credit Suisse Group AG (Switzerland)	1,556,336	33,637,619	1.7
Goldman Sachs Group, Inc. (United States)	93,600	16,869,528	0.9
Haci Omer Sabanci Holding AS (Turkey)	2,769,100	7,861,798	0.4
		<u>150,354,395</u>	<u>7.7</u>
<b>INSURANCE: 2.2% [3.5%]</b>			
AEGON NV (Netherlands)	3,795,246	21,571,045	1.1
Aviva PLC (United Kingdom)	2,700,200	20,540,076	1.1
		<u>42,111,121</u>	<u>2.2</u>
<b>REAL ESTATE: 1.5% [2.0%]</b>			
BR Malls Participacoes SA (Brazil)	2,399,500	6,692,162	0.3
Hang Lung Group, Ltd. (Hong Kong)	5,419,300	17,586,389	0.9
Hang Lung Properties, Ltd. (Hong Kong)	2,645,800	6,022,144	0.3
		<u>30,300,695</u>	<u>1.5</u>
		<u>434,896,677</u>	<u>22.3</u>
<b>HEALTH CARE: 14.8% [13.8%]</b>			
<b>HEALTH CARE EQUIPMENT &amp; SERVICES: 6.3% [4.5%]</b>			
Anthem, Inc. (United States)	118,100	16,467,864	0.8
Cigna Corp. (United States)	228,500	33,436,405	1.7
Express Scripts Holding Co. (United States)	438,300	38,311,803	2.0
UnitedHealth Group, Inc. (United States)	293,700	34,550,868	1.8
		<u>122,766,940</u>	<u>6.3</u>
<b>PHARMACEUTICALS, BIOTECHNOLOGY &amp; LIFE SCIENCES: 8.5% [9.3%]</b>			
Bayer AG (Germany)	130,200	16,335,060	0.9
Merck & Co., Inc. (United States)	221,100	11,678,502	0.6
Novartis AG (Switzerland)	526,600	45,011,975	2.3
Roche Holding AG (Switzerland)	171,400	47,235,805	2.4
Sanofi (France)	533,525	45,572,924	2.3
		<u>165,834,266</u>	<u>8.5</u>
		<u>288,601,206</u>	<u>14.8</u>

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

**PORTFOLIO OF INVESTMENTS**  
**GLOBAL STOCK FUND**

31 December 2015

**COMMON STOCKS (continued)**

	Shares	Value	% of Fund
<b>INDUSTRIALS: 3.6% [4.9%]</b>			
<b>CAPITAL GOODS: 1.5% [2.5%]</b>			
Schneider Electric SA (France)	523,500	\$29,902,095	1.5
<b>COMMERCIAL &amp; PROFESSIONAL SERVICES: 1.1% [1.5%]</b>			
ADT Corp. (United States)	237,200	7,822,856	0.4
Tyco International PLC (Ireland)	440,000	14,031,600	0.7
		21,854,456	1.1
<b>TRANSPORTATION: 1.0% [0.9%]</b>			
FedEx Corp. (United States)	132,300	19,711,377	1.0
		<b>71,467,928</b>	<b>3.6</b>
<b>INFORMATION TECHNOLOGY: 18.5% [17.6%<sup>(b)</sup>]</b>			
<b>SOFTWARE &amp; SERVICES: 8.4% [8.2%]</b>			
Alphabet, Inc., Class A (United States)	4,900	3,812,249	0.2
Alphabet, Inc., Class C (United States)	89,724	68,089,749	3.5
Baidu, Inc. ADR (Cayman Islands/China)	159,492	30,150,367	1.5
eBay, Inc. (United States)	53,366	1,466,498	0.1
Microsoft Corp. (United States)	729,200	40,456,016	2.1
Symantec Corp. (United States)	565,500	11,875,500	0.6
Synopsys, Inc. (United States)	150,600	6,868,866	0.4
		162,719,245	8.4
<b>TECHNOLOGY, HARDWARE &amp; EQUIPMENT: 10.1% [7.9%]</b>			
Cisco Systems, Inc. (United States)	1,361,300	36,966,101	1.9
Coming, Inc. (United States)	853,800	15,607,464	0.8
EMC Corp. (United States)	1,531,200	39,321,216	2.0
Hewlett Packard Enterprise Co. (United States)	2,240,300	34,052,560	1.7
HP, Inc. (United States)	2,317,400	27,438,016	1.4
NetApp, Inc. (United States)	235,090	6,236,938	0.3
Samsung Electronics Co., Ltd. (South Korea)	14,479	15,461,134	0.8
TE Connectivity, Ltd. (Switzerland)	350,500	22,645,805	1.2
		197,729,234	10.1
		<b>360,448,479</b>	<b>18.5</b>
<b>MATERIALS: 3.0% [3.7%]</b>			
Celanese Corp., Series A (United States)	297,900	20,057,607	1.0
LafargeHolcim, Ltd. (Switzerland)	224,254	11,236,843	0.6
Linde AG (Germany)	112,400	16,315,233	0.8
Teck Resources, Ltd., Class B (Canada)	2,842,800	10,973,208	0.6
		<b>58,582,891</b>	<b>3.0</b>
<b>TELECOMMUNICATION SERVICES: 2.6% [3.9%]</b>			
America Movil SAB de CV, Series L (Mexico)	4,144,000	2,909,420	0.2
Millicom International Cellular SA SDR (Luxembourg)	283,000	16,119,027	0.8
MTN Group, Ltd. (South Africa)	1,895,100	16,284,503	0.8
Sprint Corp. (United States)	4,113,000	14,889,060	0.8
		<b>50,202,010</b>	<b>2.6</b>
<b>TOTAL COMMON STOCKS</b>		<b>1,825,048,527</b>	<b>93.5</b>

**PREFERRED STOCKS: 4.2% [2.7%]**

	Shares	Value	% of Fund
<b>ENERGY: 0.9% [0.7%]</b>			
Petroleo Brasileiro SA ADR (Brazil)	4,935,300	\$16,780,020	0.9
<b>FINANCIALS: 1.2% [0.8%]</b>			
<b>BANKS: 1.2% [0.8%]</b>			
Itau Unibanco Holding SA (Brazil)	3,753,489	24,527,394	1.2
<b>INFORMATION TECHNOLOGY: 2.1% [1.2%<sup>(c)</sup>]</b>			
<b>TECHNOLOGY, HARDWARE &amp; EQUIPMENT: 2.1% [Nil]</b>			
Samsung Electronics Co., Ltd. (South Korea)	43,536	40,292,154	2.1
<b>TOTAL PREFERRED STOCKS</b>		<b>81,599,568</b>	<b>4.2</b>

**SHORT-TERM INVESTMENTS: 2.3% [3.1%]**

	Par Value	Value	% of Fund
<b>REPURCHASE AGREEMENT: 2.3% [3.1%]</b>			
State Street Repurchase Agreement <sup>(d)</sup> 0.01%, dated 31/12/15, due 4/1/16, maturity value \$45,167,050	\$45,167,000	45,167,000	2.3
<b>TOTAL SHORT-TERM INVESTMENTS</b>		<b>45,167,000</b>	<b>2.3</b>
<b>TOTAL INVESTMENTS EXCLUDING FINANCIAL DERIVATIVE INSTRUMENTS: 100.0% [100.4%]</b>			
		<b>1,951,815,095</b>	<b>100.0</b>

**FINANCIAL DERIVATIVE INSTRUMENTS: 0.1% [0.1%]**

**FORWARD CURRENCY CONTRACTS: 0.1% [0.1%]**

Counterparty	Settle Date	Contract Amount		Unrealised Gain (Loss)	% of Fund
		Receive USD	Deliver Non-USD		
<b>Contracts to sell CHF:</b>					
Credit Suisse	20/1/16	4,230,722	4,000,000	234,585	0.0
Goldman Sachs	27/1/16	9,810,198	9,500,000	316,524	0.1
Goldman Sachs	3/2/16	7,629,162	7,500,000	131,904	0.0
UBS	3/2/16	8,716,010	8,600,000	119,155	0.0
<b>Contracts to sell EUR:</b>					
Credit Suisse	20/1/16	2,293,432	2,000,000	119,112	0.0
Citibank	3/2/16	15,474,340	14,000,000	248,958	0.0
Credit Suisse	24/2/16	2,253,426	2,100,000	(31,572)	(0.0)
JPMorgan	24/2/16	2,466,612	2,300,000	(36,005)	(0.0)
Deutsche Bank	2/3/16	3,720,910	3,500,000	(88,085)	(0.0)
Barclays	9/3/16	6,209,637	5,700,000	5,291	0.0
				1,175,529	0.1
				(155,662)	(0.0)
<b>Net unrealised gain on forward currency contracts</b>				<b>1,019,867</b>	<b>0.1</b>
<b>TOTAL FINANCIAL DERIVATIVE INSTRUMENTS</b>				<b>1,019,867</b>	<b>0.1</b>

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

	<i>Value</i>	<i>% of Fund</i>
<b>TOTAL INVESTMENTS: 100.1%</b> [100.5%]	<b>\$1,952,834,962</b>	<b>100.1</b>
<b>OTHER ASSETS LESS LIABILITIES:</b> (0.1%) [(0.5%)]	<u>(834,600)</u>	<u>(0.1)</u>
<b>NET ASSETS ATTRIBUTABLE TO REDEEMABLE SHAREHOLDERS:</b> 100.0% [100.0%]	<b><u>\$1,952,000,362</u></b>	<b><u>100.0</u></b>

(a) Amounts in brackets represent allocations at 31 December 2014.

(b) Amount includes 1.5% allocation to Semiconductors & Semiconductor Equipment.

(c) Amount includes 1.2% allocation to Semiconductors & Semiconductor Equipment.

(d) Repurchase agreement is collateralised by Fannie Mae 2.11%, 7/11/22. Total collateral value is \$46,075,013.

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

<b>ANALYSIS OF TOTAL ASSETS (unaudited)</b>	<i>% of Total Assets</i>
Transferable securities and money market instruments admitted to official stock exchange listing	97.3
Short-term securities	2.3
Over the counter financial derivative instruments	0.1
Other assets	<u>0.3</u>
	<u>100.0</u>

**PORTFOLIO OF INVESTMENTS  
INTERNATIONAL STOCK FUND**

31 December 2015

**COMMON STOCKS:  
93.2% [95.7% at 31 December 2014<sup>(a)</sup>]**

	Shares	Value	% of Fund		Shares	Value	% of Fund
<b>CONSUMER DISCRETIONARY: 18.2% [14.7%]</b>				<b>AUTOMOBILES &amp; COMPONENTS: 8.6% [5.7%]</b>			
Bayerische Motoren Werke AG (Germany)	12,000	\$1,263,822	1.9	Societe Generale SA (France)	11,053	\$511,344	0.7
Honda Motor Co., Ltd. (Japan)	47,000	1,505,952	2.2	Standard Chartered PLC (United Kingdom)	188,791	1,568,866	2.3
Hyundai Motor Co. (South Korea)	3,442	433,711	0.6	UniCredit SPA (Italy)	139,746	769,716	1.1
Mahindra & Mahindra, Ltd. (India)	19,400	370,955	0.6	Yapi ve Kredi Bankasi AS (Turkey)	248,100	279,882	0.4
NGK Spark Plug Co., Ltd. (Japan)	10,600	279,232	0.4			10,332,534	15.3
Nissan Motor Co., Ltd. (Japan)	109,300	1,144,683	1.7	<b>DIVERSIFIED FINANCIALS: 4.1% [3.3%]</b>			
Yamaha Motor Co., Ltd. (Japan)	37,200	833,607	1.2	Credit Suisse Group AG (Switzerland)	82,943	1,792,675	2.6
		5,831,962	8.6	Haci Omer Sabanci Holding AS (Turkey)	99,600	282,776	0.4
				UBS Group AG (Switzerland)	37,000	712,025	1.1
<b>CONSUMER DURABLES &amp; APPAREL: 1.3% [1.4%]</b>						2,787,476	4.1
Panasonic Corp. (Japan)	90,000	913,401	1.3	<b>INSURANCE: 3.4% [4.1%]</b>			
<b>CONSUMER SERVICES: 0.3% [0.2%]</b>				AEGON NV (Netherlands)	153,612	873,085	1.3
New Oriental Education & Technology Group, Inc. ADR (Cayman Islands/China)	5,800	181,946	0.3	Aviva PLC (United Kingdom)	95,600	727,217	1.1
<b>MEDIA: 7.5% [7.4%]</b>				Swiss Re AG (Switzerland)	7,160	696,511	1.0
Grupo Televisa SAB ADR (Mexico)	30,600	832,626	1.2			2,296,813	3.4
Liberty Global PLC LiLAC, Series A (United Kingdom)	620	25,649	0.0	<b>REAL ESTATE: 1.4% [1.6%]</b>			
Liberty Global PLC LiLAC, Series C (United Kingdom)	920	39,560	0.1	BR Malls Participacoes SA (Brazil)	58,700	163,713	0.3
Liberty Global PLC, Series A (United Kingdom)	15,100	639,636	0.9	Hang Lung Group, Ltd. (Hong Kong)	129,700	420,895	0.6
Liberty Global PLC, Series C (United Kingdom)	21,400	872,478	1.3	Hang Lung Properties, Ltd. (Hong Kong)	148,100	337,092	0.5
Naspers, Ltd. (South Africa)	18,730	2,567,578	3.8			921,700	1.4
Television Broadcasts, Ltd. (Hong Kong)	24,100	99,354	0.2			16,338,523	24.2
		5,076,881	7.5	<b>HEALTH CARE: 12.7% [12.9%]</b>			
<b>RETAILING: 0.5% [Nil]</b>				<b>PHARMACEUTICALS, BIOTECHNOLOGY &amp; LIFE SCIENCES: 12.7% [12.9%]</b>			
JD.com, Inc. ADR (Cayman Islands/China)	9,900	319,423	0.5	AstraZeneca PLC (United Kingdom)	6,600	449,173	0.6
		12,323,613	18.2	Bayer AG (Germany)	9,600	1,204,428	1.8
<b>CONSUMER STAPLES: 0.3% [3.2%]</b>				Novartis AG (Switzerland)	26,300	2,248,034	3.3
<b>FOOD, BEVERAGE &amp; TOBACCO: 0.3% [3.2%]</b>				Roche Holding AG (Switzerland)	8,030	2,212,973	3.3
Anadolu Efes Biracilik ve Malt Sanayii AS (Turkey)	35,965	232,951	0.3	Sanofi (France)	29,143	2,489,352	3.7
<b>ENERGY: 6.1% [5.1%]</b>						8,603,960	12.7
Royal Dutch Shell PLC ADR (United Kingdom)	11,915	545,588	0.8	<b>INDUSTRIALS: 8.4% [8.3%]</b>			
Saipem SPA (Italy)	49,800	400,320	0.6	<b>CAPITAL GOODS: 6.8% [6.6%]</b>			
Schlumberger, Ltd. (Curacao/United States)	32,320	2,254,320	3.3	Koninklijke Philips NV (Netherlands)	36,728	940,377	1.4
Total SA (France)	12,795	573,788	0.9	Mitsubishi Electric Corp. (Japan)	117,400	1,230,883	1.8
Weatherford International PLC (Ireland)	38,400	322,176	0.5	Nidec Corp. (Japan)	6,100	441,533	0.6
		4,096,192	6.1	Schneider Electric SA (France)	25,500	1,456,549	2.2
<b>FINANCIALS: 24.2% [25.9%]</b>				Smiths Group PLC (United Kingdom)	40,300	558,159	0.8
<b>BANKS: 15.3% [16.9%]</b>						4,627,501	6.8
Banco Santander SA (Spain)	82,410	408,210	0.6	<b>COMMERCIAL &amp; PROFESSIONAL SERVICES: 1.3% [1.5%]</b>			
Barclays PLC (United Kingdom)	523,800	1,690,315	2.5	ADT Corp. (United States)	6,000	197,880	0.3
BNP Paribas SA (France)	21,000	1,191,980	1.8	Tyco International PLC (Ireland)	22,400	714,336	1.0
ICICI Bank, Ltd. (India)	305,710	1,206,089	1.8			912,216	1.3
Kasikornbank PCL- Foreign (Thailand)	165,300	683,386	1.0	<b>TRANSPORTATION: 0.3% [0.2%]</b>			
Lloyds Banking Group PLC (United Kingdom)	979,879	1,055,524	1.6	DP World, Ltd. (United Arab Emirates)	8,518	172,916	0.3
Mitsubishi UFJ Financial Group, Inc. (Japan)	106,000	656,023	1.0			5,712,633	8.4
Siam Commercial Bank PCL- Foreign (Thailand)	94,300	311,199	0.5	<b>INFORMATION TECHNOLOGY: 14.0% [15.0%]</b>			
<b>SEMICONDUCTORS &amp; SEMICONDUCTOR EQUIPMENT: 1.3% [3.3%]</b>				Infinion Technologies AG (Germany)	59,900	876,566	1.3
<b>SOFTWARE &amp; SERVICES: 2.3% [2.5%]</b>				Baidu, Inc. ADR (Cayman Islands/China)	5,300	1,001,912	1.5
				Nintendo Co., Ltd. (Japan)	4,230	582,310	0.8
						1,584,222	2.3

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

**PORTFOLIO OF INVESTMENTS  
INTERNATIONAL STOCK FUND**

31 December 2015

**COMMON STOCKS (continued)**

	Shares	Value	% of Fund
<b>TECHNOLOGY, HARDWARE &amp; EQUIPMENT: 10.4% [9.2%]</b>			
Brother Industries, Ltd. (Japan)	8,100	\$92,883	0.1
Hewlett Packard Enterprise Co. (United States)	77,500	1,178,000	1.8
HP, Inc. (United States)	67,400	798,016	1.2
Kyocera Corp. (Japan)	22,400	1,038,222	1.5
Samsung Electronics Co., Ltd. (South Korea)	1,526	1,629,511	2.4
TE Connectivity, Ltd. (Switzerland)	16,000	1,033,760	1.5
Telefonaktiebolaget LM Ericsson (Sweden)	129,400	1,253,459	1.9
		<u>7,023,851</u>	<u>10.4</u>
		<b>9,484,639</b>	<b>14.0</b>
<b>MATERIALS: 5.3% [4.7%]</b>			
Agrium, Inc. (Canada)	2,400	214,416	0.3
Akzo Nobel NV (Netherlands)	9,157	613,800	0.9
Cemex SAB de CV ADR (Mexico)	57,500	320,275	0.5
LafargeHolcim, Ltd. (Switzerland)	22,188	1,111,789	1.7
Lanxess AG (Germany)	4,700	216,394	0.3
Linde AG (Germany)	5,940	862,211	1.3
Teck Resources, Ltd., Class B (Canada)	57,100	220,406	0.3
		<u>3,559,291</u>	<u>5.3</u>
<b>TELECOMMUNICATION SERVICES: 4.0% [5.9%]</b>			
America Movil SAB de CV, Series L (Mexico)	751,400	527,543	0.8
Bharti Airtel, Ltd. (India)	69,600	355,595	0.5
China Mobile, Ltd. (Hong Kong/China)	33,900	382,739	0.6
Millicom International Cellular SA SDR (Luxembourg)	10,700	609,447	0.9
MTN Group, Ltd. (South Africa)	95,100	817,190	1.2
		<u>2,692,514</u>	<u>4.0</u>
<b>TOTAL COMMON STOCKS</b>		<b>63,044,316</b>	<b>93.2</b>

**PREFERRED STOCKS: 4.1% [2.8%]**

<b>ENERGY: 1.1% [0.7%]</b>			
Petroleo Brasileiro SA ADR (Brazil)	210,200	714,680	1.1
<b>FINANCIALS: 1.7% [1.3%]</b>			
<b>BANKS: 1.7% [1.3%]</b>			
Itau Unibanco Holding SA (Brazil)	176,472	1,153,167	1.7

**INFORMATION TECHNOLOGY: 1.3% [0.8%<sup>(b)</sup>]**

<b>TECHNOLOGY, HARDWARE &amp; EQUIPMENT: 1.3% [Nil]</b>			
Samsung Electronics Co., Ltd. (South Korea)	952	881,067	1.3
<b>TOTAL PREFERRED STOCKS</b>		<b>2,748,914</b>	<b>4.1</b>

**SHORT-TERM INVESTMENTS: 2.4% [1.4%]**

	Par Value	Value	% of Fund
<b>REPURCHASE AGREEMENT: 2.4% [1.4%]</b>			
State Street Repurchase Agreement <sup>(c)</sup> 0.01%, dated 31/12/15, due 4/1/16, maturity value \$1,605,002	\$1,605,000	1,605,000	2.4
<b>TOTAL SHORT-TERM INVESTMENTS</b>		<b>1,605,000</b>	<b>2.4</b>

<b>TOTAL INVESTMENTS EXCLUDING FINANCIAL DERIVATIVE INSTRUMENTS: 99.7% [99.9%]</b>		<b>67,398,230</b>	<b>99.7</b>
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**FINANCIAL DERIVATIVE INSTRUMENTS: 0.0% [0.1%]**

**FORWARD CURRENCY CONTRACTS: 0.0% [0.1%]**

Counterparty	Settle Date	Contract Amount		Unrealised Gain (Loss)	% of Fund
		Receive USD	Deliver Non-USD		
<b>Contracts to sell CHF:</b>					
Goldman Sachs	27/1/16	542,143	525,000	\$17,492	0.0
Goldman Sachs	3/2/16	417,061	410,000	7,211	0.0
UBS	3/2/16	481,408	475,000	6,581	0.0
Citibank	2/3/16	148,804	150,000	(1,318)	(0.0)
UBS	16/3/16	101,471	100,000	1,329	0.0
<b>Contracts to sell EUR:</b>					
Citibank	3/2/16	525,022	475,000	8,447	0.0
Barclays	24/2/16	214,314	200,000	(3,305)	(0.0)
Credit Suisse	24/2/16	590,720	550,500	(8,277)	(0.0)
JPMorgan	24/2/16	364,630	340,000	(5,323)	(0.0)
Deutsche Bank	2/3/16	637,870	600,000	(15,100)	(0.0)
Barclays	9/3/16	359,505	330,000	306	0.0
HSBC	9/3/16	217,538	200,000	(158)	(0.0)
UBS	16/3/16	137,150	125,000	1,063	0.0
Unrealised gain on forward currency contracts				42,429	0.0
Unrealised loss on forward currency contracts				(33,481)	(0.0)
<b>Net unrealised gain on forward currency contracts</b>				<b>8,948</b>	<b>0.0</b>
<b>TOTAL FINANCIAL DERIVATIVE INSTRUMENTS</b>				<b>8,948</b>	<b>0.0</b>

	Value	% of Fund
<b>TOTAL INVESTMENTS: 99.7% [100.0%]</b>	<b>67,407,178</b>	<b>99.7</b>
<b>OTHER ASSETS LESS LIABILITIES: 0.3% [0.0%]</b>	<b>204,132</b>	<b>0.3</b>
<b>NET ASSETS ATTRIBUTABLE TO REDEEMABLE SHAREHOLDERS: 100.0% [100.0%]</b>	<b>\$67,611,310</b>	<b>100.0</b>

(a) Amounts in brackets represent allocations at 31 December 2014.

(b) Amount includes 0.8% allocation to Semiconductors & Semiconductor Equipment.

(c) Repurchase agreement is collateralised by Fannie Mae 2.11%, 7/11/22. Total collateral value is \$1,640,805.

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 Depository Receipt

	% of Total Assets
<b>ANALYSIS OF TOTAL ASSETS (unaudited)</b>	
Transferable securities and money market instruments admitted to official stock exchange listing	90.5
Short-term securities	2.2
Over the counter financial derivative instruments	0.1
Other assets	7.2
	<u>100.0</u>

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

**PORTFOLIO OF INVESTMENTS**  
**U.S. STOCK FUND**

31 December 2015

**COMMON STOCKS:**  
97.3% [95.7% at 31 December 2014<sup>(a)</sup>]

	Shares	Value	% of Fund		Shares	Value	% of Fund
<b>CONSUMER DISCRETIONARY: 15.4% [15.7%]</b>				<b>PHARMACEUTICALS, BIOTECHNOLOGY &amp; LIFE SCIENCES: 6.6% [7.4%]</b>			
<b>AUTOMOBILES &amp; COMPONENTS: 0.5% [Nil]</b>				<b>AstraZeneca PLC ADR<sup>(b)</sup></b>			
Harley-Davidson, Inc.	38,200	\$1,733,898	0.5	(United Kingdom)	47,600	\$1,616,020	0.4
<b>CONSUMER DURABLES &amp; APPAREL: 0.6% [0.8%]</b>				Merck & Co., Inc.	135,800	7,172,956	2.0
Coach, Inc.	65,500	2,143,815	0.6	Novartis AG ADR <sup>(b)</sup> (Switzerland)	55,000	4,732,200	1.3
<b>MEDIA: 12.1% [12.1%]</b>				Roche Holding AG ADR <sup>(b)</sup>			
Comcast Corp., Class A	180,700	10,196,901	2.8	(Switzerland)	151,000	5,204,970	1.4
DISH Network Corp., Class A	45,500	2,601,690	0.7	Sanofi ADR <sup>(b)</sup> (France)	106,966	4,562,100	1.3
News Corp., Class A	33,400	446,224	0.1	Thermo Fisher Scientific, Inc.	5,800	822,730	0.2
Time Warner Cable, Inc.	75,800	14,067,722	3.8			24,110,976	6.6
Time Warner, Inc.	155,100	10,030,317	2.7			<b>54,287,766</b>	<b>14.8</b>
Twenty-First Century Fox, Inc., Class B	61,000	1,661,030	0.5				
Twenty-First Century Fox, Inc., Class A	196,700	5,342,372	1.5				
		44,346,256	12.1	<b>INDUSTRIALS: 4.5% [6.1%]</b>			
<b>RETAILING: 2.2% [2.8%]</b>				<b>CAPITAL GOODS: 1.2% [1.8%]</b>			
Liberty Interactive Corp. QVC Group, Series A	82,600	2,256,632	0.6	Danaher Corp.	45,400	4,216,752	1.2
Target Corp.	37,700	2,737,397	0.7	NOW, Inc.	6,700	105,994	0.0
The Priceline Group, Inc.	2,600	3,314,870	0.9			4,322,746	1.2
		8,308,899	2.2	<b>COMMERCIAL &amp; PROFESSIONAL SERVICES: 1.4% [1.7%]</b>			
		<b>56,532,868</b>	<b>15.4</b>	ADT Corp.	56,400	1,860,072	0.5
<b>CONSUMER STAPLES: 2.2% [2.7%]</b>				Tyco International PLC <sup>(b)</sup> (Ireland)	100,000	3,189,000	0.9
<b>FOOD &amp; STAPLES RETAILING: 2.2% [2.7%]</b>						5,049,072	1.4
Wal-Mart Stores, Inc.	133,000	8,152,900	2.2	<b>TRANSPORTATION: 1.9% [2.6%]</b>			
<b>ENERGY: 7.5% [8.6%]</b>				FedEx Corp.	48,500	7,226,015	1.9
Apache Corp.	112,083	4,984,331	1.4			<b>16,597,833</b>	<b>4.5</b>
Baker Hughes, Inc.	141,900	6,548,685	1.8	<b>INFORMATION TECHNOLOGY: 25.1% [24.1%]</b>			
Concho Resources, Inc.	24,500	2,275,070	0.6	<b>SEMICONDUCTORS &amp; SEMICONDUCTOR EQUIPMENT: 1.0% [1.0%]</b>			
National Oilwell Varco, Inc.	90,100	3,017,449	0.8	Maxim Integrated Products, Inc.	99,200	3,769,600	1.0
Schlumberger, Ltd. <sup>(b)</sup>				<b>SOFTWARE &amp; SERVICES: 11.2% [11.9%]</b>			
(Curacao/United States)	154,500	10,776,375	2.9	Alphabet, Inc., Class A	1,200	933,612	0.3
		<b>27,601,910</b>	<b>7.5</b>	Alphabet, Inc., Class C	15,641	11,869,642	3.2
<b>FINANCIALS: 26.1% [24.0%]</b>				Cadence Design Systems, Inc.	57,000	1,186,170	0.3
<b>BANKS: 10.6% [10.5%]</b>				eBay, Inc.	15,400	423,192	0.1
Bank of America Corp.	732,600	12,329,658	3.4	Microsoft Corp.	268,000	14,868,640	4.1
BB&T Corp.	101,800	3,849,058	1.1	Symantec Corp.	361,700	7,595,700	2.1
JPMorgan Chase & Co.	112,000	7,395,360	2.0	Synopsys, Inc.	66,300	3,023,943	0.8
Wells Fargo & Co.	278,800	15,155,568	4.1	VMware, Inc.	18,600	1,052,202	0.3
		38,729,644	10.6			40,953,101	11.2
<b>DIVERSIFIED FINANCIALS: 13.6% [12.1%]</b>				<b>TECHNOLOGY, HARDWARE &amp; EQUIPMENT: 12.9% [11.2%]</b>			
American Express Co.	75,400	5,244,070	1.4	Cisco Systems, Inc.	266,600	7,239,523	2.0
Bank of New York Mellon Corp.	213,500	8,800,470	2.4	Corning, Inc.	239,000	4,368,920	1.2
Capital One Financial Corp.	198,800	14,349,384	3.9	EMC Corp.	384,666	9,878,223	2.7
Charles Schwab Corp.	412,400	13,580,332	3.7	Hewlett Packard Enterprise Co.	605,000	9,196,000	2.5
Goldman Sachs Group, Inc.	44,700	8,056,281	2.2	HP, Inc.	563,400	6,670,656	1.8
		50,030,537	13.6	Juniper Networks, Inc.	33,241	917,451	0.2
<b>INSURANCE: 1.9% [1.4%]</b>				NetApp, Inc.	142,100	3,769,913	1.0
MetLife, Inc.	147,000	7,086,870	1.9	TE Connectivity, Ltd. <sup>(b)</sup> (Switzerland)	83,500	5,394,935	1.5
		<b>95,847,051</b>	<b>26.1</b>			47,435,621	12.9
<b>HEALTH CARE: 14.8% [13.0%]</b>						<b>92,158,322</b>	<b>25.1</b>
<b>HEALTH CARE EQUIPMENT &amp; SERVICES: 8.2% [5.6%]</b>				<b>MATERIALS: 1.0% [1.0%]</b>			
Anthem, Inc.	19,900	2,774,856	0.7	Celanese Corp., Series A	51,500	3,467,495	1.0
Cigna Corp.	56,900	8,326,177	2.3	<b>TELECOMMUNICATION SERVICES: 0.7% [0.5%]</b>			
Express Scripts Holding Co.	99,700	8,714,777	2.4	Sprint Corp.	723,838	2,620,294	0.7
Medtronic PLC <sup>(b)</sup> (Ireland)	41,100	3,161,412	0.9	<b>TOTAL COMMON STOCKS</b>			
UnitedHealth Group, Inc.	61,200	7,199,568	1.9			<b>357,266,439</b>	<b>97.3</b>
		30,176,790	8.2				

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

SHORT-TERM INVESTMENTS: 2.9% [2.6%]

	<i>Par Value</i>	<i>Value</i>	<i>% of Fund</i>
<b>REPURCHASE AGREEMENT: 2.9% [2.6%]</b>			
State Street Repurchase Agreement <sup>(c)</sup> 0.01%, dated 31/12/15, due 4/1/16, maturity value \$10,566,012	\$10,566,000	\$10,566,000	2.9
<b>TOTAL SHORT-TERM INVESTMENTS</b>		<b>10,566,000</b>	<b>2.9</b>
<b>TOTAL INVESTMENTS:</b>		<b>367,832,439</b>	<b>100.2</b>
100.2% [98.3%]			
<b>OTHER ASSETS LESS LIABILITIES:</b>			
(0.2%) [1.7%]		(643,875)	(0.2)
<b>NET ASSETS ATTRIBUTABLE TO REDEEMABLE SHAREHOLDERS:</b>		<b>\$367,188,564</b>	<b>100.0</b>
100.0% [100.0%]			

<sup>(a)</sup> Amounts in brackets represent allocations at 31 December 2014.

<sup>(b)</sup> Security denominated in U.S. dollars

<sup>(c)</sup> Repurchase agreement is collateralised by Fannie Mae 2.11%, 7/11/22. Total collateral value is \$10,780,333.

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

	<i>% of Total Assets</i>
<b>ANALYSIS OF TOTAL ASSETS (unaudited)</b>	
Transferable securities and money market instruments	
admitted to official stock exchange listing	96.8
Short-term securities	2.9
Other assets	0.3
	<u>100.0</u>



**PORTFOLIO OF INVESTMENTS**  
**GLOBAL BOND FUND**

31 December 2015

**DEBT SECURITIES (continued)**

		<i>Par Value</i>	<i>Value</i>	<i>% of Fund</i>		<i>Par Value</i>	<i>Value</i>	<i>% of Fund</i>		
BHP Billiton, Ltd. (Australia)					Tyco International PLC (Ireland)					
6.75%, 19/10/75 <sup>(c)</sup>	USD	200,000	\$193,000	0.5	3.90%, 14/2/26	USD	200,000	\$200,567 0.6		
Canadian Pacific Railway, Ltd. (Canada)					Verizon Communications, Inc.					
6.25%, 1/6/18	CAD	420,000	332,901	0.9	(United States)					
Cemex SAB de CV (Mexico)					4.272%, 15/1/36	USD	231,000	208,502 0.6		
7.25%, 15/1/21	USD	925,000	890,312	2.4	6.55%, 15/9/43	USD	260,000	308,666 0.8		
Concho Resources, Inc.					Vulcan Materials Co.					
(United States)					(United States)					
6.50%, 15/1/22	USD	575,000	552,000	1.5	7.50%, 15/6/21	USD	275,000	320,375 0.9		
Cox Enterprises, Inc.					Zoetis, Inc. (United States)					
(United States)					3.45%, 13/11/20	USD	50,000	50,060 0.1		
2.95%, 30/6/23	USD	600,000	528,590	1.5	4.50%, 13/11/25	USD	125,000	126,759 0.4		
Ford Motor Credit Co. LLC <sup>(d)</sup>							13,807,223	37.9		
(United States)					<b>UTILITIES: 3.3% [2.6%]</b>					
8.125%, 15/1/20	USD	175,000	206,190	0.6	Dominion Resources, Inc.					
5.875%, 2/8/21	USD	350,000	390,312	1.1	(United States)					
Grupo Televisa SAB (Mexico)					5.75%, 1/10/54 <sup>(c)</sup>	USD	550,000	538,890 1.5		
8.50%, 11/3/32	USD	275,000	331,689	0.9	Enel SPA (Italy)					
HCA Holdings, Inc.					6.00%, 7/10/39	USD	600,000	670,921 1.8		
(United States)							1,209,811	3.3		
4.75%, 1/5/23	USD	375,000	371,250	1.0			<b>21,189,805</b>	<b>58.1</b>		
Hewlett Packard Enterprise Co.					<b>TOTAL DEBT SECURITIES</b>		<b>35,384,833</b>	<b>97.1</b>		
(United States)										
3.60%, 15/10/20	USD	300,000	300,720	0.8	<b>SHORT-TERM INVESTMENTS: 2.4% [1.2%]</b>					
Imperial Tobacco Group PLC					<b>REPURCHASE AGREEMENT: 2.4% [1.2%]</b>					
(United Kingdom)					State Street Repurchase					
9.00%, 17/2/22	GBP	185,000	360,781	1.0	Agreement <sup>(e)</sup> 0.01%,					
4.25%, 21/7/25	USD	375,000	380,597	1.0	dated 31/12/15, due 4/1/16,					
Kinder Morgan, Inc.					maturity value \$885,001	USD	885,000	885,000 2.4		
(United States)					<b>TOTAL SHORT-TERM INVESTMENTS</b>		<b>885,000</b>	<b>2.4</b>		
4.30%, 1/6/25	USD	75,000	64,834	0.2	<b>TOTAL INVESTMENTS EXCLUDING</b>					
6.95%, 15/1/38	USD	675,000	600,063	1.6	<b>FINANCIAL DERIVATIVE INSTRUMENTS:</b>					
Macy's, Inc. (United States)					99.5% [98.6%]		<b>36,269,833</b>	<b>99.5</b>		
6.90%, 1/4/29	USD	115,000	129,606	0.4	<b>FINANCIAL DERIVATIVE INSTRUMENTS: (0.3%) [(0.6%)]</b>					
6.90%, 15/1/32	USD	175,000	193,139	0.5	<b>FUTURES CONTRACTS: 0.1% [(0.3%)]</b>					
Millicom International Cellular SA										
(Luxembourg)					<i>Description</i>	<i>Number of Contracts</i>	<i>Expiration Date</i>	<i>Notional Amount</i>	<i>Unrealised Gain (Loss)</i>	<i>% of Fund</i>
6.625%, 15/10/21	USD	925,000	854,469	2.3	10 Year U.S.					
Molex Electronic Technologies LLC					Treasury					
(United States)					Note—Short					
2.878%, 15/4/20	USD	400,000	389,736	1.1	Position	33	Mar 2016	(\$4,154,906)	15,507	0.1
MTN Group, Ltd. (South Africa)					Long-Term U.S.					
4.755%, 11/11/24	USD	375,000	326,250	0.9	Treasury					
Naspers, Ltd. (South Africa)					Bond—Short					
6.00%, 18/7/20	USD	350,000	372,376	1.0	Position	10	Mar 2016	(1,586,875)	(4,834)	(0.0)
5.50%, 21/7/25	USD	400,000	384,813	1.1					<b>10,673</b>	<b>0.1</b>
RELX PLC (United Kingdom)										
3.125%, 15/10/22	USD	275,000	267,238	0.7						
Sprint Corp. (United States)										
6.00%, 1/12/16	USD	375,000	373,125	1.0						
Teck Resources, Ltd. (Canada)										
6.00%, 15/8/40	USD	225,000	94,500	0.3						
Telecom Italia SPA (Italy)										
6.375%, 24/6/19	GBP	250,000	400,292	1.1						
7.721%, 4/6/38	USD	350,000	364,875	1.0						
Time Warner Cable, Inc.										
(United States)										
4.00%, 1/9/21	USD	315,000	318,059	0.9						
6.75%, 15/6/39	USD	375,000	376,334	1.0						
Time Warner, Inc.										
(United States)										
7.70%, 1/5/32	USD	450,000	561,777	1.5						
TransCanada Corp. (Canada)										
5.625%, 20/5/75 <sup>(c)</sup>	USD	575,000	531,636	1.5						
Twenty-First Century Fox, Inc.										
(United States)										
6.65%, 15/11/37	USD	475,000	551,979	1.5						

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

CENTRALLY CLEARED INTEREST RATE SWAPS: (0.3%)  
[(0.2%)]

Notional Amount	Expiration Date	Contract Amount		Unrealised Gain (Loss)	% of Fund
		Fixed Rate	Floating Rate		
Pay Fixed/Receive Floating:					
			USD		
			LIBOR		
\$550,000	6/5/24	2.721%	3-Month	(\$30,472)	(0.1)
			USD		
			LIBOR		
875,000	22/8/24	2.57%	3-Month	(42,068)	(0.1)
			USD		
			LIBOR		
900,000	29/7/45	2.774%	3-Month	(40,810)	(0.1)
				<b>(113,350)</b>	<b>(0.3)</b>

FORWARD CURRENCY CONTRACTS: 0.0% [(0.1%)]

Counterparty	Settle Date	Contract Amount		Unrealised Gain (Loss)	% of Fund
		Receive USD	Deliver Non-USD		
Contracts to sell EUR:					
Barclays	2/3/16	744,993	700,000	(16,806)	(0.1)
Counterparty	Settle Date	Deliver USD	Receive Non-USD	Unrealised Gain (Loss)	% of Fund
Contracts to buy EUR:					
Barclays	2/3/16	559,797	525,000	11,552	0.1
Contracts to buy INR:					
Barclays	17/2/16	410,196	28,000,000	10,117	0.0
Barclays	17/2/16	726,190	48,800,000	6,355	0.0
				28,024	0.1
				(16,806)	(0.1)
				<b>11,218</b>	<b>0.0</b>

FORWARD CURRENCY CONTRACTS—SHARE CLASS  
HEDGING: (0.1%) [(0.0%)]

Counterparty	Settle Date	Contract Amount		Unrealised Gain (Loss)	% of Fund
		Receive USD	Deliver Non-USD		
Contracts to sell GBP:					
State Street	29/1/16	25,194	16,929	235	0.0
Counterparty	Settle Date	Deliver USD	Receive Non-USD	Unrealised Gain (Loss)	% of Fund
Contracts to buy EUR:					
State Street	29/1/16	38,660	35,358	(212)	(0.0)
State Street	29/1/16	1,388,240	1,269,671	(7,605)	(0.0)
State Street	29/1/16	1,388,125	1,269,565	(7,605)	(0.0)
State Street	29/1/16	38,585	35,290	(212)	(0.0)
Contracts to buy GBP:					
State Street	29/1/16	1,636,699	1,099,758	(15,324)	(0.1)
				235	0.0
				(30,958)	(0.1)
				<b>(30,723)</b>	<b>(0.1)</b>
TOTAL FINANCIAL DERIVATIVE INSTRUMENTS				<b>(122,182)</b>	<b>(0.3)</b>

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

	Value	% of Fund
TOTAL INVESTMENTS: 99.2% [98.0%]	\$36,147,651	99.2
OTHER ASSETS LESS LIABILITIES: 0.8% [2.0%]	290,482	0.8
NET ASSETS ATTRIBUTABLE TO REDEEMABLE SHAREHOLDERS: 100.0% [100.0%]	<b>\$36,438,133</b>	<b>100.0</b>

(a) Amounts in brackets represent allocations at 31 December 2014.

(b) Inflation-linked

(c) Hybrid security

(d) Subsidiary (see below)

(e) Repurchase agreement is collateralised by Fannie Mae 2.11%, 7/11/22.

Total collateral value is \$906,116.

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

GDN: Global Depositary Note

GO: General Obligation

RB: Revenue Bond

BRL: Brazilian Real

CAD: Canadian Dollar

CLP: Chilean Peso

COP: Colombian Peso

EUR: Euro

GBP: British Pound

INR: Indian Rupee

KRW: South Korean Won

MXN: Mexican Peso

USD: United States Dollar

ANALYSIS OF TOTAL ASSETS (unaudited) Total Assets % of

Transferable securities dealt in on another regulated market	95.3
Short-term securities	2.4
Over the counter financial derivative instruments	0.1
Other assets	2.2
	<b>100.0</b>

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## STATEMENT OF FINANCIAL POSITION

U.S. Dollars (\$)	Note	Global Stock Fund		International Stock Fund	
		31 December 2015	31 December 2014	31 December 2015	31 December 2014
<b>ASSETS</b>					
Cash	1(j)	\$4,996	\$8,099	\$176,673	\$8,048
Cash held at broker	1(d,e)	–	–	–	–
<b>Financial assets at fair value through profit or loss:</b>					
Investments at fair value, excluding financial derivative instruments	1(b)	1,951,815,095	871,174,746	67,398,230	51,584,037
Unrealised gain on Treasury futures contracts	1(d)	–	–	–	–
Unrealised gain on forward currency contracts	1(f,l)	1,175,529	520,930	42,429	77,006
<b>Debtors:</b>					
Dividends receivable		2,534,935	881,031	125,131	92,747
Interest receivable		–	–	–	–
Receivable for investments sold		1,938,282	406,773	137,703	15,218
Receivable for fund shares subscribed		1,930,068	31,919	4,800,000	46,000
Receivable from Investment Manager	9	–	54,704	24,914	33,969
Prepaid expenses		–	25,514	–	2,998
<b>TOTAL ASSETS</b>		<b>1,959,398,905</b>	<b>873,103,716</b>	<b>72,705,080</b>	<b>51,860,023</b>
<b>LIABILITIES</b>					
<b>Financial liabilities at fair value through profit or loss:</b>					
Unrealised loss on Treasury futures contracts	1(d)	–	–	–	–
Unrealised loss on interest rate swaps	1(e)	–	–	–	–
Unrealised loss on forward currency contracts	1(f,l)	(155,662)	(40,340)	(33,481)	(5,645)
<b>Creditors, amounts falling due within one year:</b>					
Payable for investments purchased		(3,756,332)	(2,167,531)	(4,892,192)	(68,849)
Payable for fund shares redeemed		(951,992)	(2,439,545)	–	–
Distribution payable		(157,635)	(62,678)	–	–
Management fee payable	9	(1,971,685)	(408,192)	(64,496)	(26,706)
Other accrued expenses		(405,237)	(372,515)	(103,601)	(113,422)
<b>TOTAL LIABILITIES</b>		<b>(7,398,543)</b>	<b>(5,490,801)</b>	<b>(5,093,770)</b>	<b>(214,622)</b>
<b>NET ASSETS ATTRIBUTABLE TO REDEEMABLE SHAREHOLDERS</b>	1(k)	<b>\$1,952,000,362</b>	<b>\$867,612,915</b>	<b>\$67,611,310</b>	<b>\$51,645,401</b>

On behalf of the Board of Directors

/s/ Donal A. Byrne

Director

23 March 2016

/s/ Thomas M. Mistele

Director

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

<i>U.S. Stock Fund</i>		<i>Global Bond Fund</i>		<i>Total Company</i>	
<i>31 December 2015</i>	<i>31 December 2014</i>	<i>31 December 2015</i>	<i>31 December 2014</i>	<i>31 December 2015</i>	<i>31 December 2014</i>
\$2,216	\$8,846	\$2,785	\$1,627	\$186,670	\$26,620
–	–	258,115	272,316	258,115	272,316
367,832,439	309,578,354	36,269,833	38,509,831	2,423,315,597	1,270,846,968
–	–	15,507	–	15,507	–
–	–	28,259	25,552	1,246,217	623,488
390,060	265,588	–	–	3,050,126	1,239,366
–	–	525,697	590,992	525,697	590,992
66,816	–	–	–	2,142,801	421,991
664,172	9,586,454	–	–	7,394,240	9,664,373
15,021	50,478	58,379	37,676	98,314	176,827
–	9,561	–	4,164	–	42,237
<u>368,970,724</u>	<u>319,499,281</u>	<u>37,158,575</u>	<u>39,442,158</u>	<u>2,438,233,284</u>	<u>1,283,905,178</u>
–	–	(4,834)	(126,939)	(4,834)	(126,939)
–	–	(113,350)	(56,731)	(113,350)	(56,731)
–	–	(47,764)	(44,631)	(236,907)	(90,616)
(526,588)	(3,892,670)	(374,232)	–	(9,549,344)	(6,129,050)
(581,033)	(389,155)	–	–	(1,533,025)	(2,828,700)
(139,935)	(47,091)	(88)	–	(297,658)	(109,769)
(371,318)	(148,532)	(30,989)	(16,603)	(2,438,488)	(600,033)
(163,286)	(207,630)	(149,185)	(159,665)	(821,309)	(853,232)
<u>(1,782,160)</u>	<u>(4,685,078)</u>	<u>(720,442)</u>	<u>(404,569)</u>	<u>(14,994,915)</u>	<u>(10,795,070)</u>
<u>\$367,188,564</u>	<u>\$314,814,203</u>	<u>\$36,438,133</u>	<u>\$39,037,589</u>	<u>\$2,423,238,369</u>	<u>\$1,273,110,108</u>

## STATEMENT OF COMPREHENSIVE INCOME

U.S. Dollars (\$)	Note	Global Stock Fund		International Stock Fund	
		year ended		year ended	
		31 December 2015	31 December 2014	31 December 2015	31 December 2014
<b>INCOME</b>					
Dividends	1(h)	\$27,491,226	\$10,224,802	\$1,532,621	\$880,610
Interest	1(h)	7,884	7,795	1,708	9,480
		<u>27,499,110</u>	<u>10,232,597</u>	<u>1,534,329</u>	<u>890,090</u>
<b>Net gain (loss) on investments at fair value</b>					
<b>Net realised gain (loss) on:</b>					
Investments	1(g)	17,990,945	23,478,246	1,067,107	2,166,309
Treasury futures contracts	1(d)	–	–	–	–
Interest rate swaps	1(e)	–	–	–	–
Forward currency contracts	1(f)	3,252,230	1,677,667	419,199	298,875
Forward currency contracts – share class hedging	1(l)	–	–	–	–
Foreign currency transactions	1(g)	(116,122)	520,609	(23,760)	(9,164)
<b>Net change in unrealised gain (loss) on:</b>					
Investments	1(g)	(226,214,626)	(7,336,193)	(11,157,097)	(4,495,055)
Treasury futures contracts	1(d)	–	–	–	–
Interest rate swaps	1(e)	–	–	–	–
Forward currency contracts	1(f)	539,277	620,829	(62,413)	92,863
Forward currency contracts – share class hedging	1(l)	–	–	–	–
Foreign currency translation	1(g)	(7,414)	(23,382)	(1,463)	(6,601)
		<u>(204,555,710)</u>	<u>18,937,776</u>	<u>(9,758,427)</u>	<u>(1,952,773)</u>
<b>Net gain (loss) on investments at fair value</b>		<u>(204,555,710)</u>	<u>18,937,776</u>	<u>(9,758,427)</u>	<u>(1,952,773)</u>
<b>TOTAL INCOME (LOSS)</b>		<u>(177,056,600)</u>	<u>29,170,373</u>	<u>(8,224,098)</u>	<u>(1,062,683)</u>
<b>EXPENSES</b>					
Management fees	9	(8,958,319)	(3,234,649)	(394,674)	(243,075)
Custodian and administration fees		(983,584)	(502,943)	(119,221)	(103,351)
Transfer agency fees		(72,131)	(74,500)	(21,010)	(26,308)
Professional services		(104,054)	(140,965)	(79,018)	(110,047)
Directors fees	9	(13,217)	(19,206)	(13,217)	(19,206)
Other expenses		(209,901)	(133,574)	(70,594)	(70,508)
		<u>(10,341,206)</u>	<u>(4,105,837)</u>	<u>(697,734)</u>	<u>(572,495)</u>
<b>TOTAL OPERATING EXPENSES, before reimbursement</b>		<u>(10,341,206)</u>	<u>(4,105,837)</u>	<u>(697,734)</u>	<u>(572,495)</u>
Expense reimbursement	9	–	337,174	237,281	287,971
		<u>–</u>	<u>337,174</u>	<u>237,281</u>	<u>287,971</u>
<b>TOTAL OPERATING EXPENSES, after reimbursement</b>		<u>(10,341,206)</u>	<u>(3,768,663)</u>	<u>(460,453)</u>	<u>(284,524)</u>
<b>OPERATING PROFIT (LOSS)</b>		<u>(187,397,806)</u>	<u>25,401,710</u>	<u>(8,684,551)</u>	<u>(1,347,207)</u>
<b>Finance costs (excluding fund share transactions)</b>					
Distributions to redeemable shareholders	1(h)	(565,020)	(183,212)	–	–
		<u>(565,020)</u>	<u>(183,212)</u>	<u>–</u>	<u>–</u>
<b>PROFIT (LOSS) AFTER DISTRIBUTIONS AND BEFORE TAX</b>		<u>(187,962,826)</u>	<u>25,218,498</u>	<u>(8,684,551)</u>	<u>(1,347,207)</u>
Capital gains tax	3	–	(18,793)	–	(524)
Withholding tax	3	(4,674,653)	(1,605,195)	(125,415)	(29,958)
		<u>(4,674,653)</u>	<u>(1,605,195)</u>	<u>(125,415)</u>	<u>(29,958)</u>
<b>PROFIT (LOSS) AFTER DISTRIBUTIONS AND TAX</b>		<u>(192,637,479)</u>	<u>23,594,510</u>	<u>(8,809,966)</u>	<u>(1,377,689)</u>
<b>INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE SHAREHOLDERS RESULTING FROM OPERATIONS</b>		<u>(\$192,637,479)</u>	<u>\$23,594,510</u>	<u>(\$8,809,966)</u>	<u>(\$1,377,689)</u>

\* For the period from 1 May 2014, commencement of operations, to 31 December 2014.

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

<i>U.S. Stock Fund</i>		<i>Global Bond Fund</i>		<i>Total Company</i>	
<i>year ended</i>		<i>year ended</i>		<i>year ended</i>	
<i>31 December 2015</i>	<i>31 December 2014</i>	<i>31 December 2015</i>	<i>31 December 2014*</i>	<i>31 December 2015</i>	<i>31 December 2014</i>
\$7,043,157	\$3,308,636	\$32,977	\$8,958	\$36,099,981	\$14,423,006
722	38	1,558,150	619,988	1,568,464	637,301
<u>7,043,879</u>	<u>3,308,674</u>	<u>1,591,127</u>	<u>628,946</u>	<u>37,668,445</u>	<u>15,060,307</u>
8,057,308	4,694,861	(1,999,779)	(112,279)	25,115,581	30,227,137
–	–	(77,767)	(134,115)	(77,767)	(134,115)
–	–	(33,283)	(12,050)	(33,283)	(12,050)
–	–	(6,465)	(38,646)	3,664,964	1,937,896
–	–	(425,220)	(661,492)	(425,220)	(661,492)
47,744	(5,635)	(38,370)	(5,062)	(130,508)	500,748
(30,106,193)	16,228,555	(1,779,111)	(1,308,115)	(269,257,027)	3,089,192
–	–	137,612	(126,939)	137,612	(126,939)
–	–	(56,618)	(56,731)	(56,618)	(56,731)
–	–	19,710	(8,492)	496,574	705,200
–	–	(20,136)	(10,587)	(20,136)	(10,587)
<u>(3,284)</u>	<u>(3,855)</u>	<u>11,485</u>	<u>(19,023)</u>	<u>(676)</u>	<u>(52,861)</u>
<u>(22,004,425)</u>	<u>20,913,926</u>	<u>(4,267,942)</u>	<u>(2,493,531)</u>	<u>(240,586,504)</u>	<u>35,405,398</u>
<b><u>(14,960,546)</u></b>	<b><u>24,222,600</u></b>	<b><u>(2,676,815)</u></b>	<b><u>(1,864,585)</u></b>	<b><u>(202,918,059)</u></b>	<b><u>50,465,705</u></b>
(2,306,785)	(1,171,129)	(191,537)	(89,132)	(11,851,315)	(4,737,985)
(228,827)	(156,041)	(97,681)	(58,745)	(1,429,313)	(821,080)
(137,098)	(85,833)	(47,365)	(38,045)	(277,604)	(224,686)
(78,916)	(130,780)	(103,261)	(103,466)	(365,249)	(485,258)
(13,217)	(19,206)	(13,217)	(11,524)	(52,868)	(69,142)
<u>(113,996)</u>	<u>(88,678)</u>	<u>(140,771)</u>	<u>(61,216)</u>	<u>(535,262)</u>	<u>(353,976)</u>
<u>(2,878,839)</u>	<u>(1,651,667)</u>	<u>(593,832)</u>	<u>(362,128)</u>	<u>(14,511,611)</u>	<u>(6,692,127)</u>
187,590	287,128	363,987	255,732	788,858	1,168,005
<u>(2,691,249)</u>	<u>(1,364,539)</u>	<u>(229,845)</u>	<u>(106,396)</u>	<u>(13,722,753)</u>	<u>(5,524,122)</u>
<u>(17,651,795)</u>	<u>22,858,061</u>	<u>(2,906,660)</u>	<u>(1,970,981)</u>	<u>(216,640,812)</u>	<u>44,941,583</u>
(504,114)	(78,970)	(177,533)	(109,933)	(1,246,667)	(372,115)
(18,155,909)	22,779,091	(3,084,193)	(2,080,914)	(217,887,479)	44,569,468
–	–	–	–	–	(19,317)
<u>(1,921,075)</u>	<u>(898,610)</u>	<u>(4,196)</u>	<u>(1,247)</u>	<u>(6,725,339)</u>	<u>(2,535,010)</u>
<u>(20,076,984)</u>	<u>21,880,481</u>	<u>(3,088,389)</u>	<u>(2,082,161)</u>	<u>(224,612,818)</u>	<u>42,015,141</u>
<b><u>(\$20,076,984)</u></b>	<b><u>\$21,880,481</u></b>	<b><u>(\$3,088,389)</u></b>	<b><u>(\$2,082,161)</u></b>	<b><u>(\$224,612,818)</u></b>	<b><u>\$42,015,141</u></b>

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE  
TO REDEEMABLE SHAREHOLDERS**

U.S. Dollars (\$)	Note	Global Stock Fund		International Stock Fund	
		year ended		year ended	
		31 December 2015	31 December 2014	31 December 2015	31 December 2014
<b>Increase (decrease) in net assets attributable to redeemable shareholders resulting from operations</b>		(\$192,637,479)	\$23,594,510	(\$8,809,966)	(\$1,377,689)
<b>FUND SHARE TRANSACTIONS</b>					
Proceeds from fund shares subscribed	5	1,487,419,839	524,915,463	36,360,928	32,851,450
Cost of fund shares redeemed	5	(210,394,913)	(101,750,010)	(11,585,053)	(16,383,033)
<b>Net increase from fund share transactions</b>		<u>1,277,024,926</u>	<u>423,165,453</u>	<u>24,775,875</u>	<u>16,468,417</u>
<b>Total increase (decrease) in net assets attributable to redeemable shareholders</b>		1,084,387,447	446,759,963	15,965,909	15,090,728
<b>NET ASSETS ATTRIBUTABLE TO REDEEMABLE SHAREHOLDERS</b>					
Beginning of year		<u>867,612,915</u>	<u>420,852,952</u>	<u>51,645,401</u>	<u>36,554,673</u>
<b>End of year</b>		<u><b>\$1,952,000,362</b></u>	<u><b>\$867,612,915</b></u>	<u><b>\$67,611,310</b></u>	<u><b>\$51,645,401</b></u>

\* For the period from 1 May 2014, commencement of operations, to 31 December 2014.

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

<i>U.S. Stock Fund</i>		<i>Global Bond Fund</i>		<i>Total Company</i>	
<i>year ended</i>		<i>year ended</i>		<i>year ended</i>	
<i>31 December 2015</i>	<i>31 December 2014</i>	<i>31 December 2015</i>	<i>31 December 2014*</i>	<i>31 December 2015</i>	<i>31 December 2014</i>
(\$20,076,984)	\$21,880,481	(\$3,088,389)	(\$2,082,161)	(\$224,612,818)	\$42,015,141
200,033,454	194,464,872	2,424,719	41,474,350	1,726,238,940	793,706,135
(127,582,109)	(31,993,947)	(1,935,786)	(354,600)	(351,497,861)	(150,481,590)
<u>72,451,345</u>	<u>162,470,925</u>	<u>488,933</u>	<u>41,119,750</u>	<u>1,374,741,079</u>	<u>643,224,545</u>
52,374,361	184,351,406	(2,599,456)	39,037,589	1,150,128,261	685,239,686
<u>314,814,203</u>	<u>130,462,797</u>	<u>39,037,589</u>	<u>—</u>	<u>1,273,110,108</u>	<u>587,870,422</u>
<u>\$367,188,564</u>	<u>\$314,814,203</u>	<u>\$36,438,133</u>	<u>\$39,037,589</u>	<u>\$2,423,238,369</u>	<u>\$1,273,110,108</u>

## STATEMENT OF CASH FLOWS

U.S. Dollars (\$)	Global Stock Fund		International Stock Fund	
	year ended		year ended	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
<b>Cash flows from operating activities</b>				
Increase (decrease) in net assets attributable to redeemable shareholders resulting from operations	(\$192,637,479)	\$23,594,510	(\$8,809,966)	(\$1,377,689)
Adjustments for:				
Dividend and interest income	(27,499,110)	(10,232,597)	(1,534,329)	(890,090)
Distributions to redeemable shareholders	565,020	183,212	–	–
Capital gains tax	–	18,793	–	524
Withholding tax	4,674,653	1,605,195	125,415	29,958
In specie transactions	–	–	–	–
Changes in:				
Cash held at brokers	–	–	–	–
Financial assets at fair value through profit or loss	(1,081,294,948)	(449,374,171)	(15,779,616)	(15,509,985)
Debtors, excluding dividends receivable, interest receivable, and receivable for fund shares subscribed	(1,451,291)	(405,515)	(110,432)	23,278
Financial liabilities at fair value through profit or loss	115,322	(109,494)	27,836	(17,392)
Creditors, excluding payable for fund shares redeemed	3,279,973	947,725	4,851,312	16,560
	(1,294,247,860)	(433,772,342)	(21,229,780)	(17,724,836)
Dividends and interest received	21,170,553	8,305,840	1,376,530	881,065
Capital gains tax paid	–	(18,793)	–	(524)
Net cash used in operating activities	(1,273,077,307)	(425,485,295)	(19,853,250)	(16,844,295)
<b>Cash flows from financing activities</b>				
Distributions to redeemable shareholders	(565,020)	(183,212)	–	–
Proceeds from fund shares subscribed	1,485,521,690	526,537,544	31,606,928	33,234,200
Cost of fund shares redeemed	(211,882,466)	(100,058,064)	(11,585,053)	(16,383,033)
Net cash provided by financing activities	1,273,074,204	426,296,268	20,021,875	16,851,167
<b>Net increase (decrease) in cash</b>	(3,103)	810,973	168,625	6,872
Cash at beginning of year	8,099	(802,874)	8,048	1,176
Cash at end of year	<b>\$4,996</b>	<b>\$8,099</b>	<b>\$176,673</b>	<b>\$8,048</b>

\* For the period from 1 May 2014, commencement of operations, to 31 December 2014.

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

<i>U.S. Stock Fund</i>		<i>Global Bond Fund</i>		<i>Total Company</i>	
<i>year ended</i>		<i>year ended</i>		<i>year ended</i>	
<i>31 December 2015</i>	<i>31 December 2014</i>	<i>31 December 2015</i>	<i>31 December 2014*</i>	<i>31 December 2015</i>	<i>31 December 2014</i>
(\$20,076,984)	\$21,880,481	(\$3,088,389)	(\$2,082,161)	(\$224,612,818)	\$42,015,141
(7,043,879)	(3,308,674)	(1,591,127)	(628,946)	(37,668,445)	(15,060,307)
504,114	78,970	177,533	109,933	1,246,667	372,115
–	–	–	–	–	19,317
1,921,075	898,610	4,196	1,247	6,725,339	2,535,010
–	–	–	8,630,898	–	8,630,898
–	–	14,201	(272,316)	14,201	(272,316)
(58,254,085)	(180,066,128)	2,221,784	(38,535,383)	(1,153,106,865)	(683,485,667)
(21,798)	(3,561)	(16,539)	(41,840)	(1,600,060)	(427,638)
–	–	(62,353)	228,301	80,805	101,415
(3,094,796)	4,005,102	378,226	176,268	5,414,715	5,145,655
(86,066,353)	(156,515,200)	(1,962,468)	(32,413,999)	(1,403,506,461)	(640,426,377)
4,998,332	2,319,469	1,652,226	36,707	29,197,641	11,543,081
–	–	–	–	–	(19,317)
(81,068,021)	(154,195,731)	(310,242)	(32,377,292)	(1,374,308,820)	(628,902,613)
(504,114)	(78,970)	(177,533)	(109,933)	(1,246,667)	(372,115)
208,955,736	185,084,773	2,424,719	32,843,452	1,728,509,073	777,699,969
(127,390,231)	(31,604,792)	(1,935,786)	(354,600)	(352,793,536)	(148,400,489)
81,061,391	153,401,011	311,400	32,378,919	1,374,468,870	628,927,365
(6,630)	(794,720)	1,158	1,627	160,050	24,752
8,846	803,566	1,627	–	26,620	1,868
<b>\$2,216</b>	<b>\$8,846</b>	<b>\$2,785</b>	<b>\$1,627</b>	<b>\$186,670</b>	<b>\$26,620</b>

## NOTES TO FINANCIAL STATEMENTS

### 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.

#### *(a) Basis of Presentation*

The financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”), 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 comparatives have been reclassified to conform with current year presentation.

The preparation of financial statements in conformity with IFRS 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 2015*

There are no new accounting standards, amendments to existing standards, or interpretations that are effective for the first time for the financial year beginning 1 January 2015.

#### *(ii) Standards, amendments, and interpretations effective after 1 January 2015 and not early adopted*

A number of new accounting standards, amendments to existing standards, and interpretations are effective for annual periods beginning after 1 January 2015 and have not been applied 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 Through Profit or Loss*

##### *(i) Classification*

All instruments listed in each Fund’s Portfolio of Investments are classified as financial assets or financial liabilities designated at fair value through profit or loss at inception.

##### *(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 through profit or loss, 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 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 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. Debt securities and non-exchange traded derivatives are valued based on prices received from independent pricing services which utilise both dealer-supplied valuations and pricing models. Pricing models may consider quoted prices for similar securities, interest rates, prepayment speeds, and credit risk. Exchange-traded derivatives are valued at the settlement price determined by the relevant exchange. Other financial instruments for which market quotes are readily available are valued at market value.

If market quotations or market-based valuations are not readily available or if a security’s value is believed to have materially changed after the close of the security’s primary market but before the close of trading on the NYSE, the security is valued at such value as is certified with care and good faith as the probable realisable value of the security by a competent professional person appointed by the Directors and approved for such purpose by the Custodian, normally the Investment Manager. The Investment Manager has established a Pricing Committee that is comprised of representatives from Treasury, Legal, Compliance, and Operations. The Pricing Committee oversees the Investment Manager’s valuation process. The Pricing Committee is responsible for determining the fair value of securities when market quotations or market-based valuations are not readily available or are deemed unreliable. 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.

## NOTES TO FINANCIAL STATEMENTS

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, the prices of securities used by a Fund may differ from quoted or published prices for the same securities.

### **(c) Repurchase Agreements**

Each Fund enters into repurchase agreements, which involve the purchase of securities from a counterparty with a simultaneous commitment to resell the securities at an agreed-upon date and price. Interest rates vary for each repurchase agreement and are set at the initiation of the agreement. 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.

### **(d) 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 futures contracts. Futures contracts are traded publicly and their market value changes daily. 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. The Global Bond Fund holds U.S. Treasury futures contracts. Investments in Treasury futures contracts may involve certain risks including unfavorable changes in interest rates, or a default or failure by the clearing broker or clearinghouse. Treasury futures contracts are used for a variety of purposes in connection with the management of portfolio interest rate exposure.

### **(e) 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 swap. Cash deposited with a clearing broker is recorded as cash held at broker in the Statement of Financial Position. 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 for a variety of purposes in connection with the management of portfolio interest rate exposure.

### **(f) Forward Currency Contracts**

A forward currency contract represents an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract. The values of forward currency contracts are adjusted daily based on the applicable exchange rates of the underlying currencies. Changes in the value of open contracts are recorded as unrealised gain (loss) in the Statement of Comprehensive Income. When the 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. Forward currency contracts are used to hedge the currency risk associated with certain portfolio positions, or as a substitute for direct investment in a market.

### **(g) Foreign Currency Transactions**

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. 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.

## NOTES TO FINANCIAL STATEMENTS

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

Dividend income and other corporate action transactions are typically recorded on the ex-dividend date. Dividends characterised as return of capital are recorded as a reduction of cost of investments and/or realised gain. Interest income is recorded on the accrual basis.

Expenses are recorded on the 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 based on a relative net asset allocation, evenly, or using other allocation 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.

### **(i) 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 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 custodian and administration fees in the Statement of Comprehensive Income and are not separately disclosed.

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

Cash and bank balances are 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.

### **(k) 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".

### **(l) 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 forward currency 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.

Share class hedging fees for the Global Bond Fund's hedged share classes are included in other expenses in the Statement of Comprehensive Income.

## **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 Investor 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. 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

## NOTES TO FINANCIAL STATEMENTS

payment history and market convention. In consideration of recent decisions rendered by European courts, the Global Stock Fund and International Stock Fund have filed for additional reclaims related to prior years. A corresponding

receivable is established when both the amount is known and significant contingencies or uncertainties regarding collectability are removed.

### 4. EXCHANGE RATES

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

	2015	2014		2015	2014		2015	2014
Brazilian Real	3.9563	2.6582	Hong Kong Dollar	7.7501	7.7547	Swedish Krona	8.4415	7.7956
British Pound	0.6783	0.6416	Indian Rupee	66.1563	63.1225	Swiss Franc	1.0016	0.9942
Canadian Dollar	1.3837	1.1618	Japanese Yen	120.1950	119.7800	Thai Baht	35.9850	32.9000
Chilean Peso	708.5600	606.9000	Mexican Peso	17.2345	14.7538	Turkish Lira	2.9164	2.3346
Colombian Peso	3,174.5000	2,376.5000	South African Rand	15.4650	11.5678			
Euro	0.9202	0.8264	South Korean Won	1,172.5500	1,099.1500			

### 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 at 31 December were as follows:

	2015	2014	2013
<b>Global Stock Fund</b>			
<i>USD Accumulating Class</i>			
Net asset value	\$470,117,158	\$231,482,238	\$81,208,660
Net asset value per share	\$15.53	\$16.96	\$15.93
<i>GBP Accumulating Class</i>			
Net asset value	£847,986,950	£254,324,223	£144,693,073
Net asset value per share	£17.33	£17.90	£15.83
<i>GBP Distributing Class</i>			
Net asset value	£40,459,818	£33,067,988	£7,492,753
Net asset value per share	£12.60	£13.15	£11.70
<i>EUR Accumulating Class</i>			
Net asset value	€123,075,048	€116,471,532	€26,359,305
Net asset value per share	€21.46	€21.05	€17.40
<i>CAD Accumulating Class</i>			
Net asset value	CAD 53,110,797	CAD 54,911,863	CAD 54,567,471
Net asset value per share	CAD 20.22	CAD 18.55	CAD 15.93

## NOTES TO FINANCIAL STATEMENTS

	2015	2014	2013
<b>International Stock Fund</b>			
<i>USD Accumulating Class</i>			
Net asset value	\$66,618,767	\$49,907,104	\$35,902,704
Net asset value per share	\$13.23	\$14.96	\$14.93
<i>EUR Accumulating Class</i>			
Net asset value	€913,313	€1,436,550	€473,918
Net asset value per share	€14.33	€14.56	€12.77
<b>U.S. Stock Fund</b>			
<i>USD Accumulating Class</i>			
Net asset value	\$171,311,092	\$143,789,488	\$55,610,843
Net asset value per share	\$17.78	\$18.71	\$16.84
<i>GBP Accumulating Class</i>			
Net asset value	£58,376,846	£31,571,620	£7,173,208
Net asset value per share	£18.77	£18.68	£15.82
<i>GBP Distributing Class</i>			
Net asset value	£70,442,326	£34,880,740	£5,081
Net asset value per share	£11.93	£11.95	£10.16
<i>EUR Accumulating Class</i>			
Net asset value	€5,495,510	€55,743,140	€45,769,497
Net asset value per share	€21.23	€20.07	€15.89
<b>Global Bond Fund</b>			
<i>USD Accumulating Class</i>			
Net asset value	\$29,247,876	\$30,918,086	–
Net asset value per share	\$9.15	\$9.76	–
<i>GBP Distributing Class</i>			
Net asset value	£624,797	£625,636	–
Net asset value per share	£9.92	£10.36	–
<i>GBP Distributing Class (H)</i>			
Net asset value	£1,084,475	£1,155,378	–
Net asset value per share	£8.66	£9.57	–
<i>EUR Accumulating Class</i>			
Net asset value	€841,231	€805,848	–
Net asset value per share	€11.67	€11.18	–
<i>EUR Accumulating Class (H)</i>			
Net asset value	€1,307,565	€1,402,126	–
Net asset value per share	€9.07	€9.73	–
<i>EUR Distributing Class</i>			
Net asset value	€841,232	€805,848	–
Net asset value per share	€11.05	€10.97	–
<i>EUR Distributing Class (H)</i>			
Net asset value	€1,307,602	€1,402,205	–
Net asset value per share	€8.58	€9.54	–

## NOTES TO FINANCIAL STATEMENTS

The movement in the number of shares during the year ended 31 December 2015 was as follows:

	USD Accumulating Class	GBP Accumulating Class	GBP Distributing Class	EUR Accumulating Class	CAD Accumulating Class		
<b>Global Stock Fund</b>							
31 December 2014	13,645,692	14,205,309	2,514,855	5,531,841	2,960,530		
Issued	24,170,217	36,863,274	717,323	909,903	31,719		
Redeemed	(7,540,781)	(2,130,512)	(22,278)	(706,103)	(365,577)		
31 December 2015	30,275,128	48,938,071	3,209,900	5,735,641	2,626,672		
<b>International Stock Fund</b>							
31 December 2014	3,335,374	–	–	98,686	–		
Issued	2,368,904	–	–	27,256	–		
Redeemed	(668,679)	–	–	(62,219)	–		
31 December 2015	5,035,599	–	–	63,723	–		
<b>U.S. Stock Fund</b>							
31 December 2014	7,684,093	1,690,293	2,918,892	2,776,807	–		
Issued	4,365,510	1,818,652	3,615,153	66,291	–		
Redeemed	(2,417,188)	(398,510)	(631,495)	(2,584,244)	–		
31 December 2015	9,632,415	3,110,435	5,902,550	258,854	–		
	USD Accumulating Class	GBP Distributing Class	GBP Distributing Class (H)	EUR Accumulating Class	EUR Accumulating Class (H)	EUR Distributing Class	EUR Distributing Class (H)
<b>Global Bond Fund</b>							
31 December 2014	3,169,219	60,374	120,786	72,080	144,160	73,462	147,030
Issued	232,534	2,643	4,400	–	–	2,651	5,332
Redeemed	(204,001)	(4)	–	–	–	–	–
31 December 2015	3,197,752	63,013	125,186	72,080	144,160	76,113	152,362

The U.S. dollar equivalent amounts associated with the above share movements during the year ended 31 December 2015 were as follows:

	USD Accumulating Class	GBP Accumulating Class	GBP Distributing Class	EUR Accumulating Class	CAD Accumulating Class		
<b>Global Stock Fund</b>							
Subscriptions	\$414,786,721	\$1,034,423,732	\$14,762,346	\$22,956,811	\$490,229		
Redemptions	(128,327,417)	(58,146,874)	(460,729)	(17,801,497)	(5,658,396)		
<b>International Stock Fund</b>							
Subscriptions	35,843,484	–	–	517,444	–		
Redemptions	(10,460,576)	–	–	(1,124,477)	–		
<b>U.S. Stock Fund</b>							
Subscriptions	80,207,083	52,451,157	65,763,647	1,611,567	–		
Redemptions	(44,090,406)	(11,454,725)	(11,593,370)	(60,443,608)	–		
	USD Accumulating Class	GBP Distributing Class	GBP Distributing Class (H)	EUR Accumulating Class	EUR Accumulating Class (H)	EUR Distributing Class	EUR Distributing Class (H)
<b>Global Bond Fund</b>							
Subscriptions	\$2,240,000	\$40,009	\$59,504	\$–	\$–	\$32,882	\$52,324
Redemptions	(1,935,731)	(55)	–	–	–	–	–

## NOTES TO FINANCIAL STATEMENTS

The movement in the number of shares during the year ended 31 December 2014 was as follows:

	USD Accumulating Class	GBP Accumulating Class	GBP Distributing Class	EUR Accumulating Class	CAD Accumulating Class
<b>Global Stock Fund</b>					
31 December 2013	5,096,184	9,141,346	640,322	1,515,114	3,425,402
Issued	12,089,967	5,604,923	1,878,281	4,766,412	–
Redeemed	(3,540,459)	(540,960)	(3,748)	(749,685)	(464,872)
31 December 2014	13,645,692	14,205,309	2,514,855	5,531,841	2,960,530
<b>International Stock Fund</b>					
31 December 2013	2,404,925	–	–	37,103	–
Issued	2,056,593	–	–	61,583	–
Redeemed	(1,126,144)	–	–	–	–
31 December 2014	3,335,374	–	–	98,686	–
<b>U.S. Stock Fund</b>					
31 December 2013	3,301,893	453,331	500	2,879,946	–
Issued	5,056,681	1,704,190	2,954,893	142,202	–
Redeemed	(674,481)	(467,228)	(36,501)	(245,341)	–
31 December 2014	7,684,093	1,690,293	2,918,892	2,776,807	–

	USD Accumulating Class	GBP Distributing Class	GBP Distributing Class (H)	EUR Accumulating Class	EUR Accumulating Class (H)	EUR Distributing Class	EUR Distributing Class (H)
<b>Global Bond Fund</b>							
31 December 2013*	–	–	–	–	–	–	–
Issued	3,204,588	60,374	120,786	72,080	144,160	73,462	147,030
Redeemed	(35,369)	–	–	–	–	–	–
31 December 2014	3,169,219	60,374	120,786	72,080	144,160	73,462	147,030

\* Global Bond Fund commenced operations on 1 May 2014.

The U.S. dollar equivalent amounts associated with the above share movements during the year ended 31 December 2014 were as follows:

	USD Accumulating Class	GBP Accumulating Class	GBP Distributing Class	EUR Accumulating Class	CAD Accumulating Class
<b>Global Stock Fund</b>					
Subscriptions	\$205,522,863	\$158,038,259	\$40,247,311	\$121,107,030	\$–
Redemptions	(61,093,771)	(14,571,249)	(77,492)	(18,978,715)	(7,028,783)
<b>International Stock Fund</b>					
Subscriptions	31,714,856	–	–	1,136,594	–
Redemptions	(16,383,033)	–	–	–	–
<b>U.S. Stock Fund</b>					
Subscriptions	90,829,861	47,207,042	53,250,337	3,177,632	–
Redemptions	(12,381,474)	(13,208,353)	(658,412)	(5,745,708)	–
<b>Global Bond Fund</b>					
Subscriptions	\$32,364,417	\$1,018,921	\$2,036,723	\$1,000,000	\$2,000,000
Redemptions	(354,600)	–	–	–	–

## NOTES TO FINANCIAL STATEMENTS

### 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 has segregated liability between Funds. This ensures that the liabilities incurred on behalf of a Fund under Irish law will generally be discharged solely out of the assets of that Fund, and under Irish law there generally can be no recourse to the other Funds to satisfy those liabilities. 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 cross-liability exists 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 2015, the total interest income arising from repurchase agreements was \$3,794 (2014: \$230) for the Company. 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 each Fund, pays investment management fees, which are accrued daily and paid monthly in arrears at the annual rates set out below:

<i>Fund</i>	<i>% of average daily net asset value of each class of each Fund</i>
Global Stock Fund	0.60%
International Stock Fund	0.60%
U.S. Stock Fund	0.60%
Global Bond Fund	0.50%

At 31 December 2015, each Fund had a payable to the Investment Manager for accrued investment management fees, which is reflected as management fee payable in the Statement of Financial Position.

During the year ended 31 December 2015, the Investment Manager voluntarily agreed to limit aggregate annual ordinary expenses of the Funds to the rates set out below:

<i>Fund</i>	<i>% of average daily net asset value of each class of each Fund</i>
Global Stock Fund	0.70%
International Stock Fund	0.70%
U.S. Stock Fund	0.70%
Global Bond Fund	0.60%

As a result, during the year ended 31 December 2015, the Investment Manager reimbursed expenses to the Funds in the amounts disclosed in the Statement of Comprehensive Income. For the Global Stock Fund, aggregate annual ordinary expenses of the Fund were less than 0.70% of average daily net assets for the year ended 31 December 2015, and no expense reimbursement was required. At 31 December 2015, the International Stock Fund, U.S. Stock Fund, and Global Bond Fund each had a receivable from the Investment Manager for reimbursed expenses, which is reflected as receivable from Investment Manager in the Statement of Financial Position.

At 31 December 2015, the Investment Manager owned 3% (2014: 4%) of the outstanding shares of the U.S. Stock Fund and 19% (2014: 19%) of the outstanding shares of the Global Bond Fund.

### 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 €50,000. 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.

For the year ended 31 December 2015, non-affiliated Directors Donal A. Byrne and Brendan M. Walsh each received €25,000 (2014: €25,000) in consideration of agreeing to act as a Director of the Company. The Company had no fees payable to the non-affiliated Directors at

## NOTES TO FINANCIAL STATEMENTS

31 December 2015 or 2014. The Directors affiliated with the Investment Manager do not receive Directors' fees.

The following Directors held shares (all USD Accumulating Class Shares) in the Funds at 31 December 2015: Diana S. Strandberg held 500,000 (2014: 500,000) shares in the Global Stock Fund and 697,018 (2014: 697,018) shares in the U.S. Stock Fund, and Thomas M. Mistele held 100,000 (2014: 100,000) shares in the Global Stock Fund and 199,404 (2014: 199,404) shares in the U.S. Stock Fund.

### 10. SIGNIFICANT AGREEMENTS

#### *Auditors' Remuneration*

For the year ended 31 December 2015, 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 \$105,153 (2014: \$97,548), including out-of-pocket expenses. For the same period, remuneration for all tax-related work carried out for the Company by the statutory audit firm amounted to \$124,026 (2014: \$145,444).

### 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 2015 or 2014.

### 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 2015, the Global Stock Fund, International Stock Fund, U.S. Stock Fund, and Global Bond Fund incurred separately identifiable transaction costs in the amounts of \$2,261,432 (2014: \$635,037), \$72,106 (2014: \$68,943), \$81,427 (2014: \$40,614), and \$1,214 (2014: \$332), respectively. For some financial instruments, such as debt securities, repurchase agreements, and forward currency 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*

While the Directors collectively have responsibility for monitoring risk management, the Directors have delegated the permanent risk management function 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 understand and to, where applicable, recommend the mitigation or balancing of the risks faced by the Investment Manager. The Committee's purpose is to:

- independently 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;
- ensure that 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, market, liquidity, valuation, operational, legal, regulatory, and reputational risks;
- assess the business risk associated with new investment instruments, strategies, and products; and
- ensure that appropriate risk management policies, controls, and procedures are adopted.

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.

#### *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 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.

## NOTES TO FINANCIAL STATEMENTS

### 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 primarily arising from their investments in equity and debt securities.

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.** The focus is on purchasing attractively valued securities that reflect low investor expectations. Low expectations are more likely to create the conditions for potential capital appreciation should investor pessimism turn out to be unwarranted or short-lived.
- **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 Fund compared to the Index was as follows:

Global Stock Fund	31 December 2015		31 December 2014	
	Global Stock Fund	MSCI World Index	Global Stock Fund	MSCI World Index
Region Diversification* (%)				
United States	50.6	58.7	45.0	58.4
Europe (ex United Kingdom)	19.7	17.2	25.0	16.9
Pacific (ex Japan)	10.5	4.3	9.7	4.6
United Kingdom	6.2	7.4	6.7	7.9
Japan	3.4	9.0	4.5	8.0
Africa/Middle East	3.4	0.3	2.9	0.2
Latin America	3.3	0.0	3.5	0.0
Canada	0.6	3.1	0.0	4.0

International Stock Fund	31 December 2015		31 December 2014	
	International Stock Fund	MSCI EAFE Index	International Stock Fund	MSCI EAFE Index
Region Diversification* (%)				
Europe (ex United Kingdom)	41.6	45.1	42.6	44.8
Japan	12.9	23.4	12.2	21.2
Pacific (ex Japan)	12.7	11.3	11.4	12.3
United Kingdom	12.1	19.4	16.1	21.1
United States	6.6	0.0	5.3	0.0
Latin America	5.5	0.0	4.6	0.0
Africa/Middle East	5.3	0.8	6.3	0.6
Canada	0.6	0.0	0.0	0.0

## NOTES TO FINANCIAL STATEMENTS

U.S. Stock Fund Non-U.S. Securities* (%)	31 December 2015		31 December 2014	
	U.S. Stock Fund	S&P 500 Index	U.S. Stock Fund	S&P 500 Index
Non-U.S. Securities not in the S&P 500 Index	4.4	0.0	3.5	0.0

Global Bond Fund Region Diversification* (%)	31 December 2015		31 December 2014	
	Global Bond Fund	Barclays Global Aggregate Bond Index	Global Bond Fund	Barclays Global Aggregate Bond Index
United States	49.8	38.9	40.9	37.0
Latin America	22.9	1.1	20.2	1.4
Europe (ex United Kingdom)	8.9	25.9	18.5	27.9
United Kingdom	8.3	6.2	9.2	6.5
Africa/Middle East	3.0	0.8	2.0	1.0
Canada	2.6	3.1	1.6	3.4
Pacific (ex Japan)	1.6	5.1	5.0	4.7
Japan	0.0	16.5	0.0	15.6
Other	0.0	2.4	0.0	2.5

\* 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 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 2015	Year ended 31 December 2014**
Largest day-over-day decrease in the MSCI World Index	(3.7%)	(1.9%)
Effect on the Fund's net assets***	(\$72,224,013)	(\$16,484,645)

International Stock Fund	Year ended 31 December 2015	Year ended 31 December 2014**
Largest day-over-day decrease in the MSCI EAFE Index	(3.4%)	(2.1%)
Effect on the Fund's net assets***	(\$2,298,785)	(\$1,084,553)

U.S. Stock Fund	Year ended 31 December 2015	Year ended 31 December 2014**
Largest day-over-day decrease in the S&P 500 Index	(3.9%)	(2.3%)
Effect on the Fund's net assets***	(\$14,320,354)	(\$7,240,727)

Global Bond Fund	Year ended 31 December 2015	Year ended 31 December 2014**
Largest day-over-day decrease in the Barclays Global Aggregate Bond Index	(1.1%)	(0.7%)
Effect on the Fund's net assets***	(\$400,819)	(\$273,263)

\*\* Global Bond Fund commenced operations on 1 May 2014.

\*\*\* 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 functional 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, and debt securities. Non-monetary assets of a Fund include equity securities.

The non-U.S. dollar currency exposures for the monetary and non-monetary assets and liabilities (net of any forward currency contract hedges) held by the Global Stock Fund, International Stock Fund, and Global Bond Fund were as follows:

Global Stock Fund Currency	31 December 2015				31 December 2014			
	Monetary Exposure	Non-Monetary Exposure	Total Exposure	% of Net Assets	Monetary Exposure	Non-Monetary Exposure	Total Exposure	% of Net Assets
British Pound	\$1,155	\$97,645,297	\$97,646,452	5.0%	\$79,819	\$47,526,983	\$47,606,802	5.5%
Euro	505,044	132,863,777	133,368,821	6.8	164,095	81,867,058	82,031,153	9.5
Japanese Yen	244,340	66,167,525	66,411,865	3.4	72,276	39,141,717	39,213,993	4.5
Swiss Franc	–	107,538,335	107,538,335	5.5	–	59,449,534	59,449,534	6.8
Other	1,049,219	282,906,868	283,956,087	14.6	354,262	149,484,206	149,838,468	17.3
Total	\$1,799,758	\$687,121,802	\$688,921,560	35.3%	\$670,452	\$377,469,498	\$378,139,950	43.6%

## NOTES TO FINANCIAL STATEMENTS

International Stock Fund	31 December 2015				31 December 2014			
	Monetary Exposure	Non-Monetary Exposure	Total Exposure	% of Net Assets	Monetary Exposure	Non-Monetary Exposure	Total Exposure	% of Net Assets
Currency								
British Pound	\$7,299	\$6,049,254	\$6,056,553	9.0%	\$9,158	\$6,802,651	\$6,811,809	13.2%
Euro	39,293	11,582,847	11,622,140	17.2	52,636	10,565,200	10,617,836	20.6
Japanese Yen	12,073	8,718,728	8,730,801	12.9	6,623	6,256,455	6,263,078	12.1
Swiss Franc	–	7,114,436	7,114,436	10.5	–	5,084,145	5,084,145	9.9
Other	50,313	14,999,299	15,049,612	22.2	21,783	12,182,293	12,204,076	23.6
Total	\$108,978	\$48,464,564	\$48,573,542	71.8%	\$90,200	\$40,890,744	\$40,980,744	79.4%

Global Bond Fund	31 December 2015				31 December 2014			
	Monetary Exposure	Non-Monetary Exposure	Total Exposure	% of Net Assets	Monetary Exposure	Non-Monetary Exposure	Total Exposure	% of Net Assets
Currency								
British Pound	\$1,082,031	\$–	\$1,082,031	3.0%	\$2,099,986	\$–	\$2,099,986	5.4%
Colombian Peso	767,859	–	767,859	2.1	820,859	–	820,859	2.1
Indian Rupee	1,152,858	–	1,152,858	3.2	372,809	–	372,809	1.0
Mexican Peso	2,783,536	–	2,783,536	7.6	2,327,047	–	2,327,047	6.0
Other	2,099,409	–	2,099,409	5.7	10,294,891	–	10,294,891	26.3
Total	\$7,885,693	\$–	\$7,885,693	21.6%	\$15,915,592	\$–	\$15,915,592	40.8%

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 table below 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 2015	Eight months ended 31 December 2014
Reasonably possible strengthening of the U.S. dollar	10%	10%
Effect on the Fund's net assets*	(\$788,569)	(\$1,591,559)

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

The Global Stock Fund and International Stock Fund entered into forward currency contracts to hedge currency risk associated with portfolio investments denominated in euro and Swiss franc. During the year ended 31 December 2015, the euro forward currency contracts had U.S. dollar total values

ranging from 1% to 5% (2014: 2% to 8%) of each Fund's net assets and the Swiss franc forward currency contracts had U.S. dollar total values ranging from 0% to 3% of each Fund's net assets.

The Global Bond Fund entered into forward currency contracts to hedge currency risk associated with portfolio investments denominated in euro. During the year ended 31 December 2015, the euro forward currency contracts had U.S. dollar total values ranging from 0% to 2% of the Fund's net assets. The Global Bond Fund also entered into forward currency contracts to increase its portfolio exposure to the Indian rupee. During the year ended 31 December 2015, the Indian rupee forward currency contracts had U.S. dollar total values ranging from 1% to 3% (2014: 0% to 1%) 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 investment 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 2015				
	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	\$1,654,602	\$7,573,750	\$27,041,481	\$43,766	\$36,313,599
Financial liabilities at fair value	–	–	–	(165,948)	(165,948)
Other assets less other liabilities	–	–	–	290,482	290,482
Total	\$1,654,602	\$7,573,750	\$27,041,481	\$168,300	\$36,438,133

## NOTES TO FINANCIAL STATEMENTS

	31 December 2014				Total
	Maturity Date Less than 1 Year	Maturity Date 1 - 5 Years	Maturity Date Over 5 Years	Non-Interest Bearing	
Financial assets at fair value	\$1,225,609	\$11,042,377	\$26,241,845	\$25,552	\$38,535,383
Financial liabilities at fair value	—	—	—	(228,301)	(228,301)
Other assets less other liabilities	—	—	—	730,507	730,507
Total	\$1,225,609	\$11,042,377	\$26,241,845	\$527,758	\$39,037,589

The Investment Manager manages the Global Bond Fund's duration, or exposure to interest rate risk, through security selection and the use of short Treasury futures contracts and interest rate swaps. During the year ended 31 December 2015, the Fund held short Treasury futures contracts with U.S. dollar notional values ranging from 10% to 16% (2014: 0% to 10%) of the Fund's net assets. During the year ended 31 December 2015, the Fund held interest rate swaps with U.S. dollar notional values ranging from 4% to 6% (2014: 0% to 6%) 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. At 31 December 2015, the Global Bond Fund was positioned defensively with respect to interest rate risk, with a shorter relative duration than the Index:

	Global Bond Fund	Barclays Global Aggregate Bond Index
<b>31 December 2015</b>		
Effective Duration (years)	3.2	6.6
<b>31 December 2014</b>		
Effective Duration (years)	3.7	6.5

### 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, forward currency contracts, futures contracts, and/or interest rate swaps). Each Fund has low exposure to liquidity risk arising from these 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 2015.

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 2015, the Fund had exposure to all major sectors of the bond market and no credit issuer represented more than 2.4% (2014: 2.5%) of net assets. The credit quality diversification of the Fund at 31 December was as follows:

Global Bond Fund Quality Diversification (% of Fund)	2015	2014
Aaa	12.5	13.3
Aa	3.6	4.1
A	15.5	21.2
Baa	44.1	38.6
Ba	17.9	15.5
B	3.5	4.7
Cash Equivalents	2.9	2.6

\* 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 Barclays 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 2015, the credit ratings (Moody's long-term rating) of brokers who were counterparties to the Funds' over-the-counter derivatives, which consisted solely of forward currency contracts, ranged from A1 to Baa3.

The Funds' forward currency contracts are entered into under master agreements. Under master agreements, in certain circumstances—e.g., when a credit event such as 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. Some master agreements contain collateral terms requiring the

## NOTES TO FINANCIAL STATEMENTS

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 forward currency contracts at 31 December 2015, which are not set off in the Statement of Financial Position, are disclosed in the Funds' Portfolios of Investments. No collateral was pledged or held by the Funds on those contracts.

The Custodian is the counterparty to the Funds' repurchase agreements, which 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 Custodian. 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 2015, which are not set off in the Statement of Financial Position, are disclosed in the Funds' Portfolios of Investments. The Funds' repurchase agreements are fully collateralised.

The Global Bond Fund's Treasury futures contracts and centrally cleared interest rate swaps are settled through a clearinghouse. As outlined in Note 1, the Fund posts initial margin upon entering into such contracts, and posts or receives variation margin on a daily basis until the closing or expiration of the contracts. Margin paid by the Fund to the counterparty on those contracts is disclosed as cash held at broker in the Statement of Financial Position. Gross unrealised gains and losses on Treasury futures contracts and centrally cleared interest rate swaps at 31 December 2015 are disclosed in the Fund's Portfolio of Investments.

All securities and cash balances are held by the Custodian through its affiliate, State Street Bank and Trust Company (Moody's long-term credit rating: A1) or through one of its sub-custodians. Securities are segregated from the assets of the Custodian, and ownership rights remain with the Company. The Funds' relationship with the Custodian exposes them to risk—bankruptcy or insolvency of the Custodian may cause a Fund's rights with respect to its cash balances and investments held by the Custodian to be delayed or limited. The Investment Manager selected the Custodian based on its reputation, size, and long-term experience in the industry. The parent company of the Custodian trades on the NYSE and is monitored by the Investment Manager's analyst team. The Custodian also contracts with various sub-custodians and the Investment Manager relies on the policies and procedures in place at the Custodian 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; 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 Treasury 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 other significant observable inputs. Debt securities, repurchase agreements, interest rate swaps, and forward currency 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 chart below summarises the inputs used to value each Fund's investments at 31 December.

Global Stock Fund Security Classifications	31 December 2015			31 December 2014		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Common Stocks	\$1,497,221,712	\$327,826,815	\$—	\$447,873,279	\$372,930,955	\$—
Preferred Stocks	16,780,020	64,819,548	—	5,882,838	17,253,674	—
Repurchase Agreement	—	45,167,000	—	—	27,234,000	—
Forward Currency Contracts	—	1,019,867	—	—	480,590	—
Total	\$1,514,001,732	\$438,833,230	\$—	\$453,756,117	\$417,899,219	\$—

## NOTES TO FINANCIAL STATEMENTS

International Stock Fund	31 December 2015			31 December 2014		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<i>Security Classifications</i>						
Common Stocks	\$35,184,897	\$27,859,419	\$–	\$7,791,999	\$41,631,975	\$–
Preferred Stocks	714,680	2,034,234	–	372,936	1,068,127	–
Repurchase Agreement	–	1,605,000	–	–	719,000	–
Forward Currency Contracts	–	8,948	–	–	71,361	–
Total	\$35,899,577	\$31,507,601	\$–	\$8,164,935	\$43,490,463	\$–

U.S. Stock Fund	31 December 2015			31 December 2014		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<i>Security Classifications</i>						
Common Stocks	\$357,266,439	\$–	\$–	\$301,271,354	\$–	\$–
Repurchase Agreement	–	10,566,000	–	–	8,307,000	–
Total	\$357,266,439	\$10,566,000	\$–	\$301,271,354	\$8,307,000	\$–

Global Bond Fund	31 December 2015			31 December 2014		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<i>Security Classifications</i>						
Debt Securities	\$–	\$35,384,833	\$–	\$–	\$38,028,831	\$–
Repurchase Agreement	–	885,000	–	–	481,000	–
Treasury Futures Contracts	10,673	–	–	(126,939)	–	–
Interest Rate Swaps	–	(113,350)	–	–	(56,731)	–
Forward Currency Contracts	–	(19,505)	–	–	(19,079)	–
Total	\$10,673	\$36,136,978	\$–	(\$126,939)	\$38,434,021	\$–

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

There were no transfers between levels for the U.S. Stock Fund and Global Bond Fund. The following table presents transfers between Level 1 and Level 2 for the Global Stock Fund and International Stock Fund. For the purposes of preparing the table, transfers between levels are deemed to have occurred at the end of the reporting period. The 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.

	Global Stock Fund		International Stock Fund	
	Level 1	Level 2	Level 1	Level 2
<i>Year ended 31 December 2015</i>				
Transfers	(\$2,461,734)	\$2,461,734	\$12,806,449	(\$12,806,449)
<i>Year ended 31 December 2014</i>				
Transfers	(390,184,629)	390,184,629	(42,700,102)	42,700,102

### 14. DISTRIBUTION POLICY

#### (i) 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.

#### (ii) 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 share class. If distributions are declared and paid with respect to accumulating share

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

### 15. SIGNIFICANT EVENTS DURING THE YEAR

There were no significant events during the year ended 31 December 2015.

### 16. SIGNIFICANT EVENTS SINCE YEAR END

There have been no significant events since 31 December 2015.

### 17. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Directors on 23 March 2016.

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

For the year ended 31 December 2015

**SIGNIFICANT PURCHASES**

HP, Inc. (United States)	\$51,527,942
Bank of America Corp. (United States)	42,931,505
Novartis AG (Switzerland)	40,233,122
Time Warner, Inc. (United States)	39,978,137
Cisco Systems, Inc. (United States)	38,404,104
Standard Chartered PLC (United Kingdom)	36,869,328
Time Warner Cable, Inc. (United States)	35,648,496
Sanofi (France)	35,174,462
Naspers, Ltd. (South Africa)	34,883,527
Barclays PLC (United Kingdom)	34,327,536
Alphabet, Inc., Class C (United States)	33,923,577
Baidu, Inc. ADR (Cayman Islands/China)	33,678,913
EMC Corp. (United States)	33,214,308
Express Scripts Holding Co. (United States)	30,826,616
Schlumberger, Ltd. (Curacao/United States)	29,807,737
Samsung Electronics Co., Ltd. Preferred (South Korea)	29,701,691
Roche Holding AG (Switzerland)	29,280,755
Schneider Electric SA (France)	26,217,371
Microsoft Corp. (United States)	24,622,191
Itau Unibanco Holding SA (Brazil)	24,621,405
Petroleo Brasileiro SA ADR (Brazil)	24,501,009
Honda Motor Co., Ltd. (Japan)	24,160,775
Charles Schwab Corp. (United States)	23,729,400
The Priceline Group, Inc. (United States)	22,096,044
Credit Suisse Group AG (Switzerland)	22,017,901
UnitedHealth Group, Inc. (United States)	21,884,261
MTN Group, Ltd. (South Africa)	21,714,018
Cigna Corp. (United States)	20,967,402
Teck Resources, Ltd., Class B (Canada)	19,849,845
Capital One Financial Corp. (United States)	19,842,340
ICICI Bank, Ltd. (India)	19,841,115
Sprint Corp. (United States)	19,693,753
Wal-Mart Stores, Inc. (United States)	19,312,053
JD.com, Inc. ADR (Cayman Islands/China)	18,479,054
Baker Hughes, Inc. (United States)	18,073,312
Wells Fargo & Co. (United States)	17,977,551
Kasikornbank PCL- Foreign (Thailand)	17,799,541
Hang Lung Group, Ltd. (Hong Kong)	16,734,505
AEGON NV (Netherlands)	16,404,031
Bayerische Motoren Werke AG (Germany)	15,891,108
Liberty Global PLC, Series C (United Kingdom)	15,715,277
Anthem, Inc. (United States)	15,549,701

**SIGNIFICANT SALES**

Unilever PLC (United Kingdom)	\$21,369,823
Telecom Italia SPA (Italy)	19,267,257
China Mobile, Ltd. (Hong Kong/China)	14,589,786
Swiss Re AG (Switzerland)	14,422,183
Nintendo Co., Ltd. (Japan)	13,829,187
Microsoft Corp. (United States)	12,283,296
Koninklijke Philips NV (Netherlands)	11,346,082
Baidu, Inc. ADR (Cayman Islands/China)	11,177,115
PayPal Holdings, Inc. (United States)	9,907,833
Telefonaktiebolaget LM Ericsson (Sweden)	9,463,325
GlaxoSmithKline, PLC (United Kingdom)	9,321,774
Novartis AG (Switzerland)	8,924,768
Express Scripts Holding Co. (United States)	8,257,694
Akzo Nobel NV (Netherlands)	7,918,244
Bank of New York Mellon Corp. (United States)	7,778,722
eBay, Inc. (United States)	7,594,824
NetApp, Inc. (United States)	6,368,417
Target Corp. (United States)	6,294,707
Nissan Motor Co., Ltd. (Japan)	5,945,258
Time, Inc. (United States)	5,816,394
Alphabet, Inc., Class A (United States)	5,300,423
AOL, Inc. (United States)	4,926,817
Dai-ichi Life Insurance Co., Ltd. (Japan)	4,119,980
America Movil SAB de CV, Series L (Mexico)	4,077,333
Kyocera Corp. (Japan)	3,984,576
UnitedHealth Group, Inc. (United States)	3,856,916
New Oriental Education & Technology Group, Inc. ADR (Cayman Islands/China)	3,734,659
Roche Holding AG (Switzerland)	3,637,295

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**

Schlumberger, Ltd. (Curacao/United States)	\$1,422,712
Sanofi (France)	1,370,417
Baidu, Inc. ADR (Cayman Islands/China)	1,088,996
HP, Inc. (United States)	1,082,871
Itau Unibanco Holding SA (Brazil)	1,051,109
Petroleo Brasileiro SA ADR (Brazil)	1,040,294
Novartis AG (Switzerland)	951,681
Honda Motor Co., Ltd. (Japan)	943,744
Barclays PLC (United Kingdom)	918,461
Schneider Electric SA (France)	904,932
Roche Holding AG (Switzerland)	891,400
MTN Group, Ltd. (South Africa)	813,448
Mitsubishi Electric Corp. (Japan)	805,274
Credit Suisse Group AG (Switzerland)	791,010
UBS Group AG (Switzerland)	780,513
Samsung Electronics Co., Ltd. (South Korea)	777,580
Standard Chartered PLC (United Kingdom)	776,262
Naspers, Ltd. (South Africa)	722,290
Telefonaktiebolaget LM Ericsson (Sweden)	609,662
ICICI Bank, Ltd. (India)	601,827
Bayer AG (Germany)	575,673
Teck Resources, Ltd., Class B (Canada)	556,530
Bayerische Motoren Werke AG (Germany)	554,449
Nokia Oyj (Finland)	523,328
Samsung Electronics Co., Ltd. (South Korea)	504,950
Nissan Motor Co., Ltd. (Japan)	498,448
BNP Paribas SA (France)	493,477
Societe Generale SA (France)	488,838
Lloyds Banking Group PLC (United Kingdom)	474,714
Koninklijke Philips NV (Netherlands)	467,217
Tyco International PLC (Ireland)	459,853
AstraZeneca PLC (United Kingdom)	449,088
Linde AG (Germany)	445,995
Liberty Global PLC, Series C (United Kingdom)	445,598
Grupo Televisa SAB ADR (Mexico)	410,634
Panasonic Corp. (Japan)	405,694
Hyundai Motor Co. (South Korea)	397,449
Kasikornbank PCL- Foreign (Thailand)	396,664
Kyocera Corp. (Japan)	389,125

**SIGNIFICANT SALES**

Imperial Tobacco Group PLC (United Kingdom)	\$1,306,649
Nokia Oyj (Finland)	1,140,697
Unilever PLC (United Kingdom)	907,314
GlaxoSmithKline PLC (United Kingdom)	886,938
Baidu, Inc. ADR (Cayman Islands/China)	637,847
HSBC Holdings PLC (United Kingdom)	626,453
Deutsche Boerse AG (Germany)	475,858
Koninklijke Philips NV (Netherlands)	467,569
China Mobile, Ltd. (Hong Kong/China)	447,510
Telecom Italia SPA- RSP (Italy)	440,722
Dai-ichi Life Insurance Co., Ltd. (Japan)	370,857
Roche Holding AG (Switzerland)	368,380
Nintendo Co., Ltd. (Japan)	366,456
Nidec Corp. (Japan)	331,094
Bayer AG (Germany)	321,213
Standard Bank Group, Ltd. (South Africa)	315,011
Fujitsu, Ltd. (Japan)	309,421
Telecom Italia SPA (Italy)	298,511
Novartis AG (Switzerland)	279,174
Naspers, Ltd. (South Africa)	274,141
Infineon Technologies AG (Germany)	209,436
Mitsubishi UFJ Financial Group, Inc. (Japan)	199,984
Swiss Re AG (Switzerland)	198,031
New Oriental Education & Technology Group, Inc. ADR (Cayman Islands/China)	178,992
NGK Spark Plug Co., Ltd. (Japan)	152,827
Telefonaktiebolaget LM Ericsson (Sweden)	150,212

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.

**PORTFOLIO PURCHASES AND SALES (unaudited)**  
**U.S. STOCK FUND**

For the year ended 31 December 2015

**SIGNIFICANT PURCHASES**

HP, Inc.	\$10,123,785
EMC Corp.	6,940,530
Schlumberger, Ltd. (Curacao/United States)	6,012,923
Cisco Systems, Inc.	5,814,902
Capital One Financial Corp.	5,689,111
American Express, Co.	5,586,052
Bank of America Corp.	5,389,971
Charles Schwab Corp.	4,769,246
Wells Fargo & Co.	4,720,814
Time Warner, Inc.	4,543,716
Wal-Mart Stores, Inc.	4,434,466
Express Scripts Holding, Co.	4,395,836
Microsoft Corp.	4,228,068
MetLife, Inc.	4,104,739
Baker Hughes, Inc.	3,839,692
Cigna Corp.	3,657,015
The Priceline Group, Inc.	3,655,205
Comcast Corp., Class A	3,558,657
Symantec Corp.	3,215,243
Apache Corp.	3,036,761
Roche Holding AG ADR (Switzerland)	2,895,437
Novartis AG ADR (Switzerland)	2,830,873
Concho Resources, Inc.	2,795,951
Time Warner Cable, Inc.	2,700,725
Anthem, Inc.	2,624,407
Target Corp.	2,590,165
JPMorgan Chase & Co.	2,512,742
National Oilwell Varco, Inc.	2,473,849
Pfizer, Inc.	2,405,090
Sanofi ADR (France)	2,398,130
UnitedHealth Group, Inc.	2,198,895
Harley-Davidson, Inc.	2,180,630
Danaher Corp.	2,127,166
Alphabet, Inc., Class C	2,059,719
Twenty-First Century Fox, Inc., Class A	2,041,061
Merck & Co., Inc.	2,002,228
Corning, Inc.	2,001,543
Bank of New York Mellon Corp.	1,905,241
Twenty-First Century Fox, Inc., Class B	1,818,204
FedEx Corp.	1,817,080
NetApp, Inc.	1,735,509
Tyco International PLC (Ireland)	1,697,317

**SIGNIFICANT SALES**

Pfizer, Inc.	\$7,876,976
General Electric, Co.	4,886,880
Target Corp.	4,459,915
Chevron Corp.	4,187,055
Microsoft Corp.	3,964,348
PayPal Holdings, Inc.	3,590,982
GlaxoSmithKline PLC ADR (United Kingdom)	3,027,896
eBay, Inc.	2,917,257
SunTrust Banks, Inc.	2,527,790
Wells Fargo & Co.	2,120,525
Bank of New York Mellon Corp.	1,988,020
HP, Inc.	1,910,315
CarMax, Inc.	1,872,943
Capital One Financial Corp.	1,842,228
Juniper Networks, Inc.	1,776,595
UnitedHealth Group, Inc.	1,765,473
Alphabet, Inc., Class A	1,700,919
AOL, Inc.	1,595,034
Apache Corp.	1,592,747
Comcast Corp., Class A	1,515,695
Bank of America Corp.	1,442,337
Time Warner, Inc.	1,435,163
Express Scripts Holding Co.	1,433,063
FedEx Corp.	1,376,538
Charles Schwab Corp.	1,320,876
Synopsys, Inc.	1,250,012
Wal-Mart Stores, Inc.	1,242,031
TE Connectivity, Ltd. (Switzerland)	1,188,975
Time Warner Cable, Inc.	1,154,047
Merck & Co., Inc.	1,087,680
Cisco Systems, Inc.	1,056,001
Schlumberger, Ltd. (Curacao/United States)	1,048,960
Celanese Corp., Series A	991,460
Danaher Corp.	978,557
Symantec Corp.	942,089

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.

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

For the year ended 31 December 2015

**SIGNIFICANT PURCHASES**

U.S. Treasury Note (United States) 0.625%, 15/10/16	\$1,201,875
Mexico Government (Mexico) 2.00%, 9/6/22	1,031,031
Freddie Mac, Hybrid ARM (United States) 2.752%, 1/11/44	961,067
Freddie Mac, Hybrid ARM (United States) 2.731%, 1/1/45	960,133
U.S. Treasury Note (United States) 0.875%, 30/11/17	873,047
Freddie Mac Gold, 15 Year (United States) 4.00%, 1/8/25	872,720
Mexico Government (Mexico) 4.75%, 14/6/18	789,822
Brazil Government (Brazil) Series F, 10.00%, 1/1/25	729,011
South Korea Government (South Korea) 3.00%, 10/12/16	720,596
Navient Student Loan Trust (Private Loans) (United States) Series 2015-CA B, 3.25%, 15/5/40	634,359
Concho Resources, Inc. (United States) 6.50%, 15/1/22	581,375
TransCanada Corp. (Canada) 5.625%, 20/5/75	577,813
Lloyds Banking Group PLC (United Kingdom) 4.50%, 4/11/24	577,064
Colombia Government (Colombia) 9.85%, 28/6/27	504,454
Ford Credit Auto Owner Trust (United States) Series 2014-C A3, 1.06%, 15/5/19	474,703
Kinder Morgan, Inc. (United States) 6.95%, 15/1/38	447,136
Naspers, Ltd. (South Africa) 5.50%, 21/7/25	399,848
Peru Government International (Peru) 4.125%, 25/8/27	399,064
Molex Electronic Technologies LLC (United States) 2.878%, 15/4/20	395,364
Ford Motor Credit Co. LLC (United States) 5.875%, 2/8/21	394,629
Capital One Financial Corp. (United States) 3.75%, 24/4/24	394,252
Dominion Resources, Inc. (United States) 5.75%, 1/10/54	393,788
MTN Group, Ltd. (South Africa) 4.755%, 11/11/24	385,313
HCA Holdings, Inc. (United States) 4.75%, 1/5/23	384,844
Indonesia Government (Indonesia) 5.25%, 15/5/18	380,837
Imperial Tobacco Group PLC (United Kingdom) 4.25%, 21/7/25	368,951
Brazil Government (Brazil) 4.25%, 7/1/25	359,550
AT&T, Inc. (United States) 6.55%, 15/2/39	313,170

**SIGNIFICANT SALES**

U.S. Treasury Note (United States) 0.625%, 15/10/16	\$1,502,728
Malaysia Government (Malaysia) 3.172%, 15/7/16	1,110,487
Svenska Handelsbanken AB (Sweden) 6.00%, 21/9/16	1,026,926
Chase Issuance Trust (United States) Series 2013-A8 A8, 1.01%, 15/10/18	851,543
Freddie Mac Gold, 15 Year (United States) 4.00%, 1/8/25	803,104
Poland Government (Poland) 3.25%, 25/7/25	770,395
Mexico Government (Mexico) 8.00%, 7/12/23	752,393
Sweden Government (Sweden) 3.75%, 12/8/17	708,630
Autonomous Community of Madrid (Spain) 4.30%, 15/9/26	687,021
Brazil Government (Brazil) Series B, 6.00%, 15/8/20	670,481
Lloyds Banking Group PLC (United Kingdom) 6.50%, 24/3/20	614,275
Lafarge SA (France) 5.875%, 9/7/19	535,265
Boston Properties, Inc. (United States) 5.625%, 15/11/20	452,955
Ford Motor Credit Co. LLC (United States) 8.125%, 15/1/20	430,220
Colombia Government (Colombia) 9.85%, 28/6/27	413,722
Imperial Tobacco Group PLC (United Kingdom) 9.00%, 17/2/22	396,727
Naspers, Ltd. (South Africa) 6.00%, 18/7/20	376,250
Bank of America Corp. (United States) 6.125%, 15/9/21	372,688
South Korea Government (South Korea) 3.00%, 10/12/16	343,122
Indonesia Government (Indonesia) 5.25%, 15/5/18	332,319
Brazil Government (Brazil) Series F, 10.00%, 1/1/25	324,536
Royal Bank of Scotland Group PLC (United Kingdom) 5.625%, 24/8/20	306,968
General Electric Co. (United States) 4.55%, 17/1/17	264,772
Royal Bank of Scotland Group PLC (United Kingdom) 6.934%, 9/4/18	255,049
Canadian Pacific Railway, Ltd. (Canada) 6.25%, 1/6/18	215,515
Boston Scientific Corp. (United States) 6.00%, 15/1/20	211,187
State of Illinois GO (United States) 4.961%, 1/3/16	206,972
Nokia Oyj (Finland) 6.75%, 4/2/19	204,147

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

For the year ended 31 December 2015

**SIGNIFICANT PURCHASES (continued)**

Hewlett Packard Enterprise Co. (United States) 3.60%, 15/10/20	\$299,916
Freddie Mac (United States) Series T-59 1A1, 6.50%, 25/10/43	274,798
Royal Bank of Scotland Group PLC (United Kingdom) 6.00%, 19/12/23	267,075
Verizon Communications, Inc. (United States) 6.55%, 15/9/43	255,897
Citigroup, Inc. (United States) 6.692%, 30/10/40	255,200
Time Warner Cable, Inc. (United States) 6.75%, 15/6/39	229,916
Petroleos Mexicanos (Mexico) 2.75%, 21/4/27	215,772

**SIGNIFICANT SALES (continued)**

CRH America, Inc. (United States) 3.875%, 18/5/25	\$202,080
Wells Fargo & Co. (United States) 2.774%, 9/2/17	200,727
Petroleos Mexicanos (Mexico) 4.25%, 15/1/25	189,000

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.

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## TOTAL EXPENSE RATIOS (unaudited)

### TOTAL EXPENSE RATIOS

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

	<i>TER for the year ended 31 December 2015</i>
Global Stock Fund	0.69%
International Stock Fund	0.70%
U.S. Stock Fund	0.70%
Global Bond Fund	0.60%

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## ADMINISTRATION OF THE COMPANY (unaudited)

### *Board of Directors*

Donal A. Byrne (Irish) (independent)  
Toby E. Goold (English)  
Thomas M. Mistele (American)  
Diana S. Strandberg (American)  
Steven C. Voorhis (American)  
Brendan M. Walsh (Irish) (independent)

### *Registered Office of the Company*

78 Sir John Rogerson's Quay  
Dublin 2  
Ireland

### *Investment Manager and Promoter*

Dodge & Cox  
555 California Street  
40th Floor  
San Francisco  
California 94104  
U.S.A.

### *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

### *Custodian*

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  
U.S.A.

### *Legal Advisors in Ireland*

Arthur Cox  
Earlsfort Centre  
Earlsfort Terrace  
Dublin 2  
Ireland

### *Independent Auditors*

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

### *Company Secretary*

Bradwell Limited  
Arthur Cox Building  
Earlsfort Centre  
Earlsfort Terrace  
Dublin 2  
Ireland

### *Representative in Switzerland\**

First Independent Fund Services Ltd.  
Klausstrasse 33  
8008 Zurich  
Switzerland

### *Paying Agent in Switzerland*

NPB New Private Bank Ltd.  
Limmatquai 1  
8022 Zurich  
Switzerland

\* For Swiss investors, the prospectus, memorandum and articles of association, key investor information document, 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.

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