

Dodge & Cox

Core Fixed: BB U.S. Aggregate Bond Index

For the month of:		May	2025		
Manager Performance Calculations		* Annualized returns			
	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Dodge & Cox	-0.76%	N/A	N/A	N/A	N/A
BB Aggregate	-0.72%	-0.29%	5.46%	1.49%	-0.90%

Performance Attribution & Strategy Comments

The Bloomberg U.S. Aggregate Bond Index returned -0.7% in May as U.S. Treasury yields rose. The 2-year Treasury yield increased by 30 basis points (bps), while the 10-year Treasury yield rose by 24 bps, resulting in a slight flattening of the yield curve with the spread between the 2- and 10-year yields narrowing by 6 bps to 50 bps.

Investment-grade corporate bonds returned 0.0% in May, outperforming comparable-duration Treasuries by 127 bps as corporate spreads narrowed 18 bps to end the month at 88 bps. Meanwhile, Agency MBS returned -0.9%, outperforming comparable-duration Treasuries by 19 bps. Spread sectors generally performed well as trade negotiations between the U.S. and China led to temporary tariff reductions, which improved market sentiment and reduced recession fears. However, fiscal concerns resurfaced following Moody's downgrade of the U.S. credit rating, contributing to volatility in long-end yields.

The portfolio performed roughly in line with its benchmark for the month of May. The portfolio's slightly longer relative duration positioning detracted from relative returns as interest rates rose. Asset allocation was positive as the portfolio's underweight to U.S. Treasuries contributed to relative returns. Security selection was modestly positive as certain credit issuers outperformed, most notably Pemex and Charter Communications; this was partially offset by the portfolio's Agency MBS pass-through holdings, which underperformed the MBS in the benchmark.

Organizational/Personnel Changes

N/A

Manager Style Summary

Dodge & Cox's investment philosophy relies on fundamental research to construct and manage a diversified portfolio of fixed income securities with the goal of producing above-market returns over a three- to five-year time period. The team rigorously vets analyst-driven research recommendations to reach a collective decision.

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Portfolio Guideline Compliance

Portfolio Guideline:	D&C	BB AGG	Min	Max	Compliance
B1. Effective Duration:	6.2	6.1	4.6	7.6	ok
B2. Sector Diversification:					
Treasuries	18%	45%	10%	80%	ok
Government-Related	4%	4%	0%	39%	ok
Agencies	2%	1%	0%	11%	ok
Gov't Guaranteed	1%	1%	0%	11%	ok
Corporate	27%	24%	0%	54%	ok
Financial	13%	8%	0%	23%	ok
Industrial	12%	14%	0%	34%	ok
Utility	1%	2%	0%	12%	ok
Securitized					
MBS Pass-through	40%	28%	8%	48%	ok
ABS	7%	0%	0%	10%	ok
CMBS	0%	2%	0%	12%	ok
Agency CMBS	0%	1%	0%	6%	ok
Local Authorities	1%	1%	0%	11%	ok
B3. Issuer Concentration: <=5% all non US Gov't/Agcy				3%	ok
B4. Number of positions	114		100	400	ok
B. Non-Investment Grade Alloc	4%			15%	ok
G. Current ETF Exposure	0%				
H2. Annual Turnover	122%		0%	60%	check
The portfolio is in compliance with all other aspects of the Portfolio Guidelines				<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Manager Explanations for Deviations from Portfolio Guidelines

H2. Annual Turnover: The Annual Turnover figure was out of line with our normal portfolio turnover at 122%. The portfolio funded late April with in-kind securities,

Total Firm Assets Under Management (\$m) as of:

Qtr 1 \$ 417,100

Account Turnover

Gained:	Number of Accounts:	3	Total Mkt Value (\$m):	\$	862.0
Lost:	Number of Accounts:	0	Total Mkt Value (\$m):	\$	-

Reason(s) for loss: