Dodge & Cox®
Investment Focus

Balanced Fund

To Our Shareholders

The Dodge & Cox Balanced Fund—Class I had a total return of 4.53% for the six-month period ended June 30, 2024 compared to a return of 8.70% for the Combined Index (a 60/40 blend of stocks and fixed income securities).[1]

MARKET COMMENTARY

Extending the strong market uptrend that began in early 2023, the U.S. equity markets rose during the first half of 2024: the S&P 500 posted a total return of 15.3%. Investors were encouraged by better-than-expected earnings growth,[2] a resilient economy, improving inflation indicators, and renewed expectations for interest rate cuts this year.

Continuing the pattern of the past 12 months, equity market gains during the first half of the year were concentrated among large market capitalization[3] companies in the Information Technology and Communications sectors, particularly those tied to artificial intelligence (AI). The outsized performance by a small number of large companies significantly increased the U.S. equity market's concentration: the top five companies by market capitalization now represent a record 29% of the S&P 500,[4] well above the historical average weight of 15% since the dot-com bubble over 25 years ago.

Meanwhile in fixed income markets, U.S. Treasury yields fluctuated as investors grappled with countervailing influences of a generally healthy U.S. economy, lingering price pressures, and ongoing geopolitical tensions. Reflecting this volatility, 10-year Treasury yields ranged between 3.9% and 4.7% and ultimately ended higher than where they started. As a result, the Bloomberg U.S. Agg posted a negative return of -0.7% for the first half of the year.

INVESTMENT STRATEGY

Asset Allocation & Risk Management

The Balanced Fund seeks to generate attractive returns by investing in a portfolio of equity and fixed income issuers whose current market valuations, in our view, do not adequately reflect their fundamentals and outlook. Assessing the appropriate asset allocation between equities and fixed income securities for the Fund is an integral part of our active and rigorous, bottom-up investment process.

We have made several adjustments to the Fund's asset allocation, particularly over the past eighteen months as equity and fixed income markets have been dynamic. The attractive combination of higher yields and a relatively narrow range of expected returns over our investment horizon has motivated us to lean more into fixed income. As a result, the Fund's equity weighting is below its average over the past decade. As of June 30, the Fund held 62.4% in equities (48.1% in U.S. and 14.3% in non-U.S.) and 37.7% in fixed income securities and cash.[5]

Risk management plays a critical role in our investment process. In addition to selecting individual stocks and bonds, we also make use of a variety of other security types and tools to improve overall portfolio risk/reward. For example, the Fund has a short position in S&P 500 futures, which we have utilized to reduce the equity market exposure of the Fund while staying invested in the specific equity securities we find attractive on a bottom-up basis. The Fund also owns several hybrid securities—including preferred stock that offers attractive yields—as well as Treasury Inflation-Protected Securities that hedge inflation risk.

Equity

We believe the highly concentrated market gains over the last year are creating opportunities for bottom-up, value-oriented investors like Dodge & Cox. In assembling the Fund's equity portfolio, we take a cautious approach toward stocks with very optimistic outlooks for growth and margins. We are also mindful that a weaker economic environment cannot be ruled out, and we are finding more opportunities in companies with lower valuations and less economic sensitivity as well as in certain international equity holdings.

Continuing the trend from last year, as part of reducing the Fund's equity weighting overall, we exercised price discipline by reducing the Fund's exposure to companies with higher valuations. For example, we sold Microchip Technology, a leading provider of semiconductor products in the United States.[6] Since the pandemic, the broader Semiconductors industry, for example, has benefited from abnormal price increases, which we are skeptical will persist. Given Microchip's high current valuation, we no longer believe the holding has an attractive risk/reward profile.

Meanwhile, we increased the Fund's exposure to more defensive and stable companies, such as in Health Care. Additionally, as a continuation of a longer-term trend, we added to certain international equity holdings, as we have found valuations outside of the United States to be generally lower, presenting attractive return opportunities as well as portfolio diversification benefits (as the Fund's international equities have historically been less correlated with the rest of the portfolio's holdings).

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. Mutual fund performance changes over time and may be significantly lower than stated above. Performance is updated and published monthly. Visit the Fund's website at dodgeandcox.com or call 800-621-3979 for current month-end performance figures.

Health Care: Defensive Opportunities at Attractive Valuations

As was the case last year, the Health Care Providers and Services industry has continued to face significant hurdles, including concerns around the profitability, cybersecurity events, increased regulatory scrutiny, and lingering COVID-19 effects. We believe this challenging environment has created attractive long-term investment opportunities, particularly for Medicare Advantage (MA) plan providers, where the recent, shorter-term issues contrast with attractive long-term growth prospects. Furthermore, we believe a significant weighting in the sector is prudent as, despite recent challenges, the exposure provides a ballast relative to more cyclical sectors like Industrials and Energy.

Amidst this backdrop, we recently initiated one new Health Care position in Humana, a leading health services provider focused on the MA insurance market, which provides supplemental coverage for seniors in the federal Medicare program. The company has a long history of relatively stable profit margins and strong growth, but recent high utilization rates, a competitive underwriting cycle, and weak government reimbursement weighed on profitability. While acknowledging these headwinds, we believe Humana is strategically positioned to regain strong profitability and revenue growth.

International Equities: Idiosyncratic Diversification Opportunities

While international equities also produced strong returns in 2023 and continued to appreciate in the first half of 2024, they continued to lag their U.S. counterparts. This performance has contributed to a widening valuation gap between international and U.S. equities, and as a result, has presented attractive investment opportunities outside of the United States with the added benefit of diversification for the Fund.

For example, we recently initiated a new position in Ashtead, a UK-based equipment rental company. Over the past decade, Ashtead's management grew the company's store count, rental revenue, and operating income primarily through small bolt-on acquisitions, organic growth, and market share gains. We believe Ashtead is an attractive investment given its scale advantages relative to peers and its management's strong track record.

Fixed Income

As previously mentioned, the Fund's aggregate weighting in fixed income is close to its highest level in recent years. We have increased the Fund's bond weight to (1) take advantage of the higher yield environment and (2) lean into an asset class that can help safeguard principal and provide income in the face of potential economic uncertainty and volatility.

Through the first half of 2024, we also made several compositional adjustments within the fixed income portion of the Fund considering evolving market dynamics. We trimmed several Credit[7] holdings that appeared to be fully valued, continuing an exercise we began last year. We invested the proceeds primarily in U.S. Treasuries. Amid these changes, we maintained the portfolio's defensive, below-benchmark duration[8] position.

The Credit Sector: Opportunistically Trimmed at Tighter Valuations

On a net basis, the portfolio's credit weighting declined by five percentage points over the past six months and by 12 percentage points over the past 18 months. We remained active in the most recent period by trimming holdings where we no longer found the valuation compelling. Examples included Kinder Morgan, AT&T, and Dow. In addition, a handful of the Fund's holdings matured, which further reduced overall exposure (e.g., Telecom Italia).

Despite reducing credit exposure broadly, we remain optimistic about the long-term total return potential of the Fund's credit holdings, even in the current environment with broad credit market spreads near historically tight levels. We focus on identifying attractively priced issuers with strong liquidity, solid balance sheets, healthy cash flows, and experienced management teams capable of navigating a wide range of economic scenarios. While we acknowledge the potential for future volatility and the risk posed by wider credit spreads due to the portfolio's overweight positioning, we believe that our discerning approach, combined with the portfolio's yield cushion, will mitigate the impact of potential price declines over time.

Agency[9] MBS: Strong Fundamentals & Compelling Valuations

We continue to be enthusiastic about the Fund's Agency MBS holdings given their robust fundamentals and compelling valuations. The 2020-2021 refinancing wave, followed by a subsequent rise in mortgage rates, has effectively eliminated the incentive for borrowers to refinance. Consequently, cash flow variability—one of the primary risks borne by investors in Agency MBS—has remained remarkably low. Furthermore, technical factors, including reduced demand from the Federal Reserve and commercial banks since early 2023, have caused spreads on the securities to remain attractive.

Interest Rate & Inflation Risk

With the U.S. economy seemingly in the midst of a soft landing, our base case economic scenario forecasts a gradual deceleration in economic growth and a downward moderation of inflation. Despite our relatively optimistic outlook for the U.S. economy and forecast for rates to decline over time, we acknowledge that a range of outcomes is possible. Additionally, it is important to examine the Fund's interest rate and inflation risk in the context of the Fund's overall positioning, as it can impact both equity and fixed income investments. As such, the Fund's duration remains below that of the benchmark, in part due to concerns about the higher correlation of stocks and bonds, as well as in acknowledgment of the risk that long-term rates could potentially move higher over time due to inflationary, fiscal, or other pressures.

IN CLOSING

We continue to be optimistic about the long-term outlook for the Fund, which is diversified across a broad range of sectors and investment themes. Thank you for your continued confidence in Dodge & Cox. As always, we welcome your comments and questions.

For the Board of Trustees,

Dana M. Emery

Dana M. Emery, Chair and President

July 31, 2024

1. All returns are stated in U.S. dollars, unless otherwise noted. The Funds' total returns include the reinvestment of dividend and capital gain distributions, but have not been adjusted for any income taxes payable by shareholders on these distributions or on Fund share redemptions. Index returns include dividend and/or interest income but, unlike Fund returns, do not reflect fees or expenses. The Combined Index reflects an unmanaged portfolio (rebalanced monthly) of 60% of the S&P 500 Index, which is a market capitalization-weighted index of 500 large capitalization stocks commonly used to represent the U.S. equity market, and 40% of the Bloomberg U.S. Aggregate Bond Index (Bloomberg U.S. Agg), which is a widely recognized, unmanaged index of U.S. dollar-denominated, investment-grade, taxable fixed income securities. The Fund may, however, invest up to 75% of its total assets in equity securities.
2. Earnings growth is the percentage change in a firm's earnings per share (EPS) in a period, as compared with the same period from the previous year.
3. Market capitalization is a measure of the security's size. It is the market price of a security multiplied by the number of shares outstanding.
4. Unless otherwise specified, all weightings and characteristics are as of June 30, 2024.
5. Net Cash & Other includes cash, short-term investments, unrealized gain (loss) on derivatives, receivables, and payables.
6. The use of specific examples does not imply that they are more or less attractive investments than the portfolio's other holdings.
7. Credit refers to corporate bonds and government-related securities, as classified by Bloomberg.
8. Duration is a measure of a bond's (or a bond portfolio's) price sensitivity to changes in interest rates.
9. The U.S. Government does not guarantee the Fund's shares, yield, or net asset value. The agency guarantee (by, for example, Ginnie Mae, Fannie Mae, or Freddie Mac) does not eliminate market risk.

Balanced Fund's Ten Largest Equity Holdings (as of June 30, 2024): Alphabet, Inc. (2.4% of the Fund), Fiserv, Inc. (2.4%), The Charles Schwab Corp. (2.1%), Occidental Petroleum Corp. (1.9%), Wells Fargo & Co. (1.8%), CVS Health Corp. (1.4%), The Bank of New York Mellon Corp. (1.4%), RTX Corp. (1.4%), Sanofi SA (1.4%), and GSK PLC (1.3%).

Ten Largest Fixed Income Issuers (as of June 30, 2024): Fannie Mae (6.8% of the Fund), Freddie Mac (4.8%), U.S. Treasury Note/Bond (4.7%), Ginnie Mae (2.3%), Citigroup, Inc. (1.3%), JP Morgan Chase & Co. (1.0%), Navient Student Loan Trust (1.0%), Bank of America Corp. (0.8%), Charter Communications, Inc. (0.8%), and British American Tobacco PLC (0.8%).

Before investing in any Dodge & Cox Fund, you should carefully consider the Fund's investment objectives, risks, and charges and expenses. To obtain a Fund's prospectus and summary prospectus, which contain this and other important information, visit dodgeandcox.com or call 800-621-3979. Please read the prospectus and summary prospectus carefully before investing.

Diversification does not ensure a profit or guarantee against loss.

Dodge & Cox®
Investment Focus

Balanced Fund

CLASS I SHARES

TICKER **DODBX** | 2024 June 30

Open to All Investors

Established in 1930, Dodge & Cox is one of the largest independently owned investment firms in the world. We manage money for individuals and institutions using a single value-oriented investment philosophy across a focused set of strategies.

Fund Inception
June 26, 1931

Diversified Portfolio

# of Equity Issuers
87

# of Credit Issuers
47

Details

Expense Ratio	0.52%
Total Net Assets (billions)	$14.2
CUSIP	256201104
Distribution Frequency	Quarterly
30-Day SEC Yield[2]	2.92%
Portfolio Turnover[3] (1/1/2024 to 6/30/2024, unannualized)	11%

No sales charges or distribution fees

Asset Allocation

U.S. Equity[4]	48.1
Non-U.S. Equity[4]	14.3
Fixed Income[5]	35.8
Net Cash & Other[6]	1.9

Risk Metrics (5 Years)

Beta[7]	1.05
Standard Deviation[8]	14.64

Investment Committee

Managed by the Balanced Fund Investment Committee, whose members' average tenure at Dodge & Cox is 18 years.

Investment Objective

Dodge & Cox Balanced Fund seeks regular income, conservation of principal, and an opportunity for long-term growth of principal and income.

Investment Approach

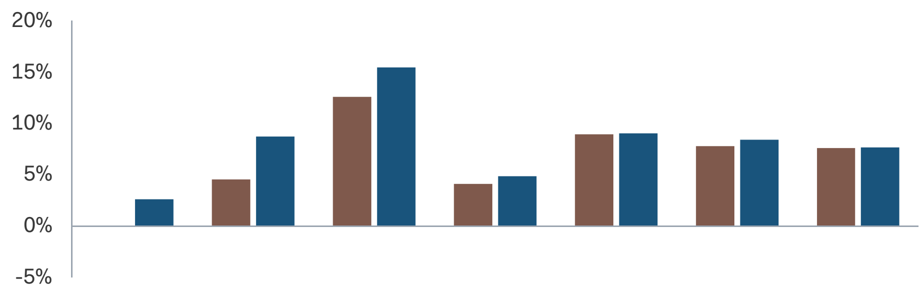
The Fund offers investors a highly selective, actively managed mutual fund, diversified across equity and fixed income.
Generally, we:

- Invest a portion of the Fund's portfolio in equity investments that, in our opinion, appear to be temporarily undervalued by the stock market but have a favorable outlook for long-term growth.
- Invest a portion of the Fund's portfolio in investment-grade debt securities including government and government related obligations, mortgage- and asset-backed securities, corporate and municipal bonds, and other debt securities. The Fund may also invest in below investment-grade debt securities.
- Allocate between equity and debt investments based on our assessment of the potential risks and returns for each asset class over a three- to five-year horizon.

Performance[1]

Total Returns (%)

Combined Index (60% S&P 500 / 40% Bloomberg U.S. Aggregate Bond Index (BBG U.S. Agg))

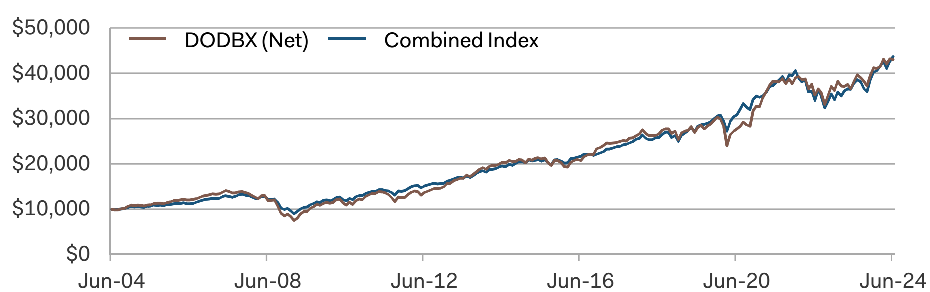


	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	20 Years
			Average Annual Total Returns				
DODBX (Net)	-0.08	4.53	12.58	4.08	8.92	7.78	7.57
Combined Index	2.60	8.70	15.42	4.84	9.01	8.38	7.65

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. Mutual fund performance changes over time and may be significantly lower than stated above. Performance is updated and published monthly. Visit the Fund's website at dodgeandcox.com or call 800-621-3979 for current month-end performance figures.

Hypothetical Growth of $10,000[1]

For an investment made on June 30, 2004




David Hoeft
CIO (31 yrs at Dodge & Cox)


Lucy Johns
Director of Fixed Income (22 yrs)


Phil Barret
Global Industry Analyst (20 yrs)


Matt Schefer
Fixed Income Analyst (16 yrs)


Ben Garosi
Global Industry Analyst (15 yrs)


Robert Turley
Portfolio Strategy Analyst (11 yrs)


Tom Powers
Macro Analyst (8 yrs)

Portfolio Breakdown (% of Fund)

Equity Sectors[4]

Financials	17.2
Health Care	13.5
Communication Services	6.4
Industrials	5.5
Energy	4.0
Consumer Discretionary	4.0
Consumer Staples	3.5
Information Technology	3.2
Materials	2.6
Utilities	1.4
Real Estate	1.0

Fixed Income Sectors[5]

U.S. Treasury	4.7
Government-Related	1.1
Securitized	15.9
Corporate	14.1

Credit Quality[9]

AAA	0.5
AA	20.0
A	2.0
BBB	10.4
BB	2.1
B	0.8
CCC and Below	-
Not Rated	-

Five Largest Equity Positions (% of Fund)[4,10]

	Fund
Alphabet, Inc.	2.4
Fiserv, Inc.	2.4
The Charles Schwab Corp.	2.1
Occidental Petroleum Corp.	1.9
Wells Fargo & Co.	1.8

Five Largest Credit Issuers (% of Fund)[5,10]

	Fund
Citigroup, Inc.	1.3
JPMorgan Chase & Co.	1.0
Bank of America Corp.	0.8
Charter Communications, Inc.	0.8
British American Tobacco PLC	0.8

Portfolio Characteristics

	Fund	S&P 500	BBG U.S. Agg
Equity[4]			
Price-to-Earnings (forward)[11,12]	12.7x	21.6x	-
Price-to-Cash Flow[13]	9.1x	19.1x	-
Price-to-Sales[13]	1.2x	3.2x	-
Price-to-Book Value	1.9x	4.6x	-
Weighted Average Market Cap. (billions)[14]	$277	$1,022	-
Median Market Cap. (billions)[15]	$46	$35	-
Fixed Income[5]			
Yield to Worst[16]	5.7%	-	5.0%
Effective Duration (years)[17]	4.5	-	6.1
Effective Maturity (years)	19.3	-	8.4

Risks

The Fund invests in individual stocks, bonds and other securities whose market values fluctuate within a wide range, so that your investment may be worth more or less than its original cost. The Fund's performance could be hurt by equity risk, market risk, manager risk, liquidity risk, geographic risk and derivatives risk. In addition the Fund's fixed income performance could be hurt by interest rate risk, credit risk, below-investment grade securities risk, mortgage- and asset-backed securities risk, to-be-announced transaction risk, and call risk. Please read the prospectus for specific details regarding the Fund's risk profile.

1 All returns are stated in U.S. dollars, unless otherwise noted. The Fund's total returns include the reinvestment of dividend and capital gain distributions, but have not been adjusted for any income taxes payable by shareholders on these distributions or on Fund share redemptions. Index returns include dividend and/or interest income but, unlike Fund returns, do not reflect fees or expenses.
2 SEC Yield is an annualization of the Fund's net investment income for the trailing 30-day period. Dividends paid by the Fund may be higher or lower than implied by the SEC Yield.
3 Portfolio Turnover is calculated as the lesser of the portfolio purchases or sales divided by the average portfolio value for the period.
4 May include direct and synthetic equity investments.
5 Includes certain preferred securities classified by Dodge & Cox as corporates.
6 Net Cash & Other includes cash, short-term investments, unrealized gain (loss) on derivatives, receivables, and payables.
7 Beta is a measure of the volatility–or systematic risk–of a portfolio compared to the benchmark measured over a specified time period.
8 Standard Deviation measures the volatility of the Fund's returns. Higher Standard Deviation represents higher volatility.
9 The credit quality distribution shown for the Fund is based on the middle of Moody's, S&P, and Fitch ratings, which is the methodology used by Bloomberg in constructing its indices. A rating of AAA is the highest possible credit rating, while a rating in the C's or D's is the lowest. If a security is rated by only two agencies, the lower of the two ratings is used. Please note the Fund applies the highest of Moody's, S&P, and Fitch ratings to determine compliance with the quality requirements stated in its prospectus. On that basis, the Fund held 1.1% in securities rated below investment grade. For consistency purposes, we use the S&P and Fitch rating categories. The credit quality of the investments in the portfolio does not apply to the stability or safety of the Fund or its shares.
10 The Fund's portfolio holdings are subject to change without notice. The mention of specific securities is not a recommendation to buy, sell, or hold any particular security and is not indicative of Dodge & Cox's current or future trading activity.
11 Price-to-Earnings (forward) ratios are calculated using 12-month forward earnings estimates from third-party sources as of the reporting period. Estimates reflect a consensus of sell-side analyst estimates, which may lag as market conditions change.
12 The portfolio's Price-to-Earnings ratios exclude extraordinary items and negative earnings. Benchmark figures include extraordinary items and negative earnings.
13 Portfolio calculation excludes Financials, Utilities, and Real Estate.
14 This figure sums the product of each holding's company market capitalization (market price multiplied by the number of shares outstanding) and weighting in the portfolio.
15 Median market capitalization represents the midpoint of market capitalization for all of the equity securities in the portfolio. Half of the securities will have a higher market capitalization and half will have a lower market capitalization. (Market capitalization is a measure of the security's size. It is the market price of a security multiplied by the number of shares outstanding.)
16 Yield to Worst is a measure of the lowest possible yield that can be received on a bond that fully operates within the terms of its contract without defaulting. The distribution of this information must be preceded or accompanied by the prospectus.
17 Effective Duration is a measure of a portfolio's interest rate sensitivity, including the impact of derivatives used to adjust duration.

Figures represented by a dash are zero or have no associated data while figures represented by a zero may be rounded to zero.
Market values for debt securities include accrued interest.
The Combined Index reflects an unmanaged portfolio (rebalanced monthly) of 60% of the S&P 500 Index, which is a market capitalization-weighted index of 500 large-capitalization stocks commonly used to represent the U.S. equity market, and 40% of the Bloomberg U.S. Aggregate Bond Index (BBG U.S. Agg), which is a widely recognized, unmanaged index of U.S. dollar-denominated, investment-grade, taxable fixed income securities. The Fund may, however, invest up to 75% of its total assets in equity securities.

Before investing in any Dodge & Cox Fund, you should carefully consider the Fund's investment objectives, risks, and charges and expenses. To obtain a Fund's prospectus and summary prospectus, which contain this and other important information, visit dodgeandcox.com or call 800-621-3979. Please read the prospectus and summary prospectus carefully before investing.

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