

## To Our Shareholders

The Dodge & Cox International Stock Fund—Class I had a total return of 3.15% for the six-month period ended June 30, 2024, compared to a return of 5.69% for the MSCI ACWI ex USA Index.<sup>1</sup>

### MARKET COMMENTARY

After producing strong returns in 2023, international equity markets continued to appreciate in the first half of 2024, with the MSCI ACWI ex USA up 5.7%. Information Technology (up 17.2%) was the best-performing sector, driven in part by artificial intelligence (AI) enthusiasm lifting shares in the Semiconductors industry. The Financials (up 8.6%) and Health Care (up 7.6%) sectors also contributed to performance.

After a couple years of poor performance, the MSCI China Index<sup>2</sup> reversed course and appreciated 4.7% during the first half of 2024 amid a range of stimulus measures to support the property sector and consumer spending. Within Japan, corporate governance reform boosted investor sentiment and produced a strong absolute return for the period. Regional valuations continued to diverge in the first half of 2024: Japanese equities continue to screen as more expensive, while Chinese equities trade at more attractive valuations relative to the broader market.

International equities lagged their U.S. counterparts, a trend that continued from 2023 into the first half of 2024. This performance has contributed to a widening valuation gap between international equities and U.S. equities—the valuation spread between the MSCI ACWI ex USA and the S&P 500 is at the 98<sup>th</sup> percentile of all-time observations.<sup>3</sup> Within international equities, growth stocks<sup>4</sup> outperformed value stocks for the period,<sup>5</sup> and their valuation disparity widened. The MSCI ACWI ex USA Value<sup>6</sup> trades at 10.0 times forward earnings compared to 20.0 times earnings for the MSCI ACWI ex USA Growth.<sup>7</sup>

### INVESTMENT STRATEGY

At Dodge & Cox, our valuation discipline and long-term investment horizon help us take advantage of price dislocations in the market and maintain our conviction in the face of macroeconomic uncertainty. Our bottom-up approach enables us to capitalize on a variety of investment opportunities, ranging from deep value turnarounds to mispriced secular growth opportunities. Our experienced global investment team's deep institutional knowledge of companies and industry dynamics enable us to unearth new opportunities and adjust portfolio positioning as markets evolve.

During the first half of 2024, we trimmed the Fund's European Financials and Energy holdings on strength. Energy and Financials were the best-performing sectors of the market over the past three years, and the Fund's overweight position in both sectors contributed to its outperformance during the period. During the first half, we redeployed the proceeds in other areas of the market as valuations became more compelling. We continued to find more opportunities within consumer-related sectors as relative valuations became more attractive. Finally, we started a few new positions in the Industrials sector, an area of the market we have been closely monitoring for several years.

### Energy

In the first half of 2024, we trimmed the Fund's Energy holdings on strength, reducing our overweight position in the sector. We also sold Ovintiv, an oil and gas exploration company focused on North American shale resources. We are less optimistic about the company's long-term growth prospects and ability to economically replenish future inventory. Energy comprised 6.6% of the Fund versus 5.5% of the MSCI ACWI ex USA on June 30.

At the same time, we initiated a position in BP, one of the largest integrated oil companies in the world.<sup>8</sup> BP has a large and profitable portfolio of upstream and downstream assets but has experienced a great deal of turmoil over the last decade. The company endured the substantial cost of the Macondo oil spill, the loss of its Russian business, a failed strategy pivot of aggressively investing in its energy transition, and an unexpected CEO transition. Even though it trades at a steep discount to its global peers, we view BP's portfolio as being of comparable quality, and management is committed to being more disciplined with investments in renewables and low carbon ventures. With a low starting valuation of 7.1 times forward earnings, attractive assets, and shareholder-friendly behavior in the form of capital returns, we are enthusiastic about BP's prospects. BP currently comprises 0.8% of the Fund.

### Consumer-Related Opportunities

Starting in 2023, we began finding more opportunities across consumer-related sectors, a trend that continued into the first half of 2024. Cheaper relative valuations offered attractive entry points into several consumer companies. As a result, the Fund now has a small overweight position in both the Consumer Staples and Consumer Discretionary sectors. In the first half of 2024, we found new opportunities in companies such as Diageo and Kering.

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*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](http://dodgeandcox.com) or call 800-621-3979 for current month-end performance figures.*

Diageo, the world's largest international spirits company, is one of the most diversified spirits producers by category and geography. The company owns premium brands such as Johnnie Walker, Don Julio, Casamigos, Smirnoff, Tanqueray, and Guinness. Like many other consumption-driven companies, Diageo benefited tremendously from an unprecedented boom during the pandemic, but growth has since slowed down. In addition, the company is undergoing a management transition and lowered its fiscal year 2024 outlook. The combination of these factors contributed to the valuation reaching close to 10-year lows on a forward earnings basis. Despite these challenges, the company maintains a dominant market position in the very attractive international spirits industry, which stands to benefit from both continued consumer premiumization and growth in emerging markets. Diageo is a 0.7% position in the Fund.

Kering, one of the world's largest luxury goods companies, boasts top luxury brands such as Gucci, Saint Laurent, Bottega Veneta, and Balenciaga. The company is facing several challenges, including a post-COVID slowdown of its largest brand, Gucci. To address this, management is strategically reinvesting in Gucci, revitalizing its other brands, and diversifying into new categories. The company is run by a well-established owner/operator and operates in a luxury goods industry that offers attractive compounding potential. Kering represents 0.7% of the Fund.

## Industrials

At first glance, the Industrials sector appears to be relatively expensive at 16.8 times earnings. However, our Global Industry Analysts have been monitoring the opportunity set and identified attractive investments even in a fully valued segment of the market. The Fund's new positions in Ashtead and DHL Group are good examples of these opportunities.

Ashtead, a UK equipment rental company, primarily operates in non-residential construction, facilities maintenance, and industrials markets. While domiciled in the United Kingdom, Ashtead generates most of its revenue and operating profit from its U.S. subsidiary, Sunbelt Rentals, the second-largest player in the highly fragmented U.S. equipment rental industry. Over the past decade, management grew the company's store count, rental revenue, and operating income primarily through small bolt-on acquisitions, organic growth, and market share gains. Management has shown their ability to

execute on growth opportunities, improve fleet productivity, and integrate acquisitions across multiple cycles. Given the company's advantaged scale, we believe efficiency initiatives and continued industry consolidation should add value over our investment horizon. Ashtead comprises 1.6% of the Fund.

DHL, a global transportation and logistics conglomerate, is the largest player in the consolidated international express market, competing with FedEx and UPS. The company operates in five business segments, and its Express business comprises approximately half of the group's operating profit. In the past two years, DHL has been impacted by an extended downturn where volume, pricing, and margins have deteriorated from pandemic highs. Nevertheless, volume is beginning to show signs of recovery, pointing to potential opportunities for margin expansion. Furthermore, over the past decade, DHL's business quality and free cash flow have significantly improved, yet its absolute and relative valuations remain flat. Valued at 11.6 times forward earnings, DHL accounts for 1.0% of the Fund.

## IN CLOSING

Our long-term investment approach, bottom-up focus, and valuation discipline enable us to look through the noise of the market and find attractive companies within a broad opportunity set. We believe our portfolio is well positioned, and we remain confident in our ability to navigate various economic and market conditions. As valuation changes can occur swiftly and without warning, we encourage our shareholders to maintain a long-term perspective.

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

For the Board of Trustees,



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 MSCI ACWI (All Country World Index) ex USA Index is a broad-based, unmanaged equity market index aggregated from developed and emerging market country indices, excluding the United States.
2. The MSCI China Index captures large- and mid-cap representation across China A shares, H shares, B shares, Red chips, and P chips.
3. Unless otherwise specified, all weightings and characteristics are as of June 30, 2024. Historical valuation observations reference the time period from June 30, 2003 to June 30, 2024. 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.
4. Generally, stocks that have lower valuations are considered "value" stocks, while those with higher valuations are considered "growth" stocks.
5. For the six months ended June 30, 2024, the MSCI ACWI ex USA Value Index had a total return of 4.71% and the MSCI ACWI ex USA Growth Index had a total return of 6.67%.
6. The MSCI ACWI ex USA Value Index captures large- and mid-cap securities exhibiting overall value style characteristics across developed and emerging markets countries, excluding the United States. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price, and dividend yield.
7. The MSCI ACWI ex USA Growth Index captures large- and mid-cap securities exhibiting overall value style characteristics across developed and emerging markets countries, excluding the United States. The growth investment style characteristics for index construction are defined using five variables: long-term forward EPS growth rate, short-term forward EPS growth rate, current internal growth rate, long-term historical EPS growth trend, and long-term historical sales per share growth trend.
8. The use of specific examples does not imply that they are more or less attractive investments than the portfolio's other holdings.

**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](https://dodgeandcox.com) or call 800-621-3979. Please read the [prospectus](#) and [summary prospectus](#) carefully before investing.**

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  
May 1, 2001



Active Share<sup>1</sup>  
86.4%



# of Companies  
79



Countries Represented<sup>2</sup>  
22

**Details**

Expense Ratio	0.62%
Total Net Assets (billions)	\$47.6
CUSIP	256206103
Distribution Frequency	Annually
30-Day SEC Yield <sup>4</sup>	2.33%
Portfolio Turnover <sup>5</sup>	11%
<small>(1/1/2024 to 6/30/2024, unannualized)</small>	

No sales charges or distribution fees

**Risk Metrics (5 Years)**

Beta (vs. MSCI ACWI ex USA) <sup>6</sup>	1.14
Standard Deviation <sup>7</sup>	20.78

**Investment Committee**

Managed by the International Equity Investment Committee, whose members' average tenure at Dodge & Cox is 21 years.

**Investment Objective**

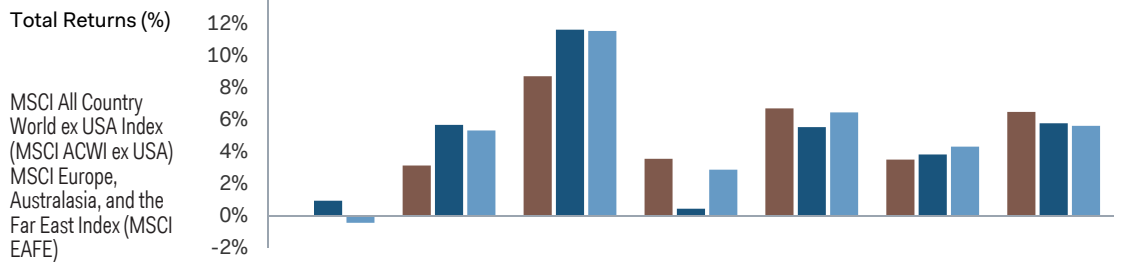
Dodge & Cox International Stock Fund seeks long-term growth of principal and income.

**Investment Approach**

The Fund offers investors a highly selective, actively managed core international equity fund that typically invests in companies in developed markets, (excluding the United States), and emerging markets, based on our analysis of companies' fundamentals relative to their current valuations. Generally, we:

- Target a diversified portfolio of equity securities issued by medium-to-large, well-established non-U.S. companies that, in our opinion, appear to be temporarily undervalued by the stock market but have a favorable outlook for long-term growth.
- Select individual securities based on our analyses of various factors—including a company's financial strength, economic condition, competitive advantage, quality of the business franchise, financially material environmental, social, and governance (ESG) issues, and the reputation, experience, and competence of its management—as weighed against valuation.

**Performance<sup>3</sup>**

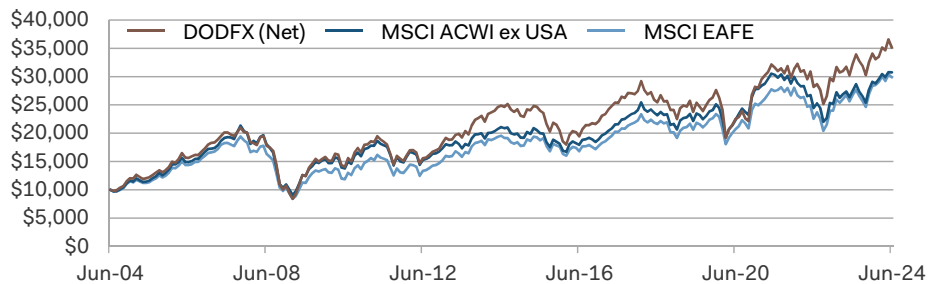


	Average Annual Total Returns						
	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	20 Years
DODFX (Net)	0.02	3.15	8.72	3.57	6.71	3.52	6.49
MSCI ACWI ex USA	0.96	5.69	11.62	0.46	5.55	3.84	5.78
MSCI EAFE	-0.42	5.34	11.54	2.89	6.46	4.33	5.63

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](http://dodgeandcox.com) or call 800-621-3979 for current month-end performance figures.

**Hypothetical Growth of \$10,000<sup>3</sup>**

For an investment made on June 30, 2004



**Roger Kuo**  
President (26 yrs at Dodge & Cox)



**Mario DiPrisco**  
Global Industry Analyst (26 yrs)



**Bert Bangayan**  
Global Industry Analyst (22 yrs)



**Ray Mertens**  
Global Industry Analyst (21 yrs)



**Paritosh Somani**  
Global Industry Analyst (17 yrs)

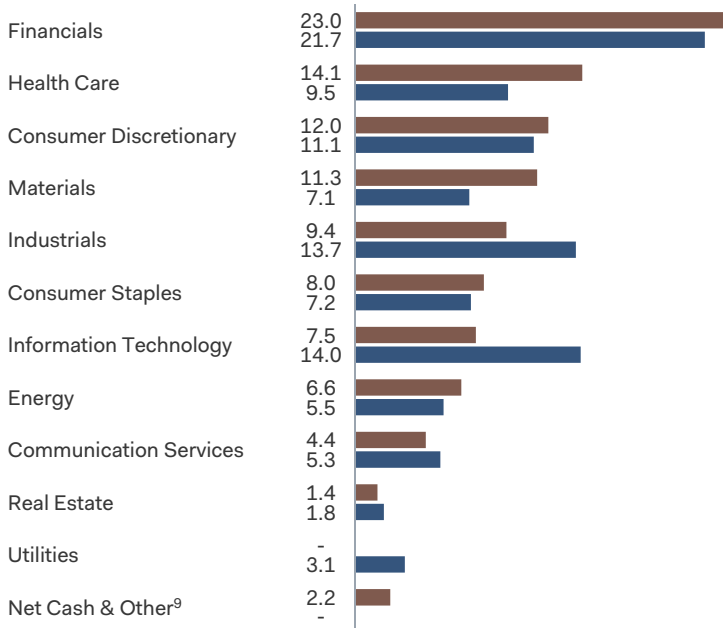


**Sophie Chen**  
Global Industry Analyst (12 yrs)

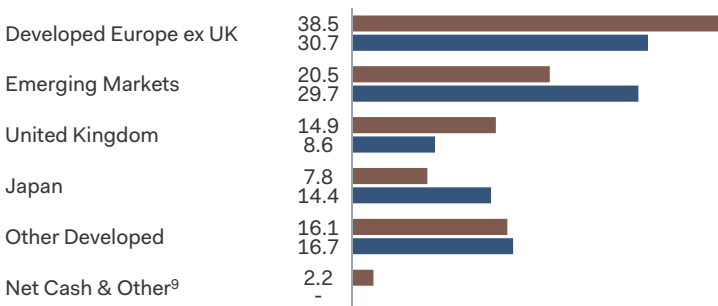
Portfolio Breakdown (% of Fund)

■ Fund ■ MSCI ACWI ex USA

Sectors<sup>8</sup>



Regions<sup>2,8</sup>



Ten Largest Equity Positions (% of Fund) <sup>8,10</sup>	MSCI ACWI		Portfolio Characteristics	MSCI ACWI	
	Fund	ex USA		Fund	ex USA
Novartis AG (Switzerland)	3.4	0.8	Price-to-Earnings (forward) <sup>11,12</sup>	10.8x	13.4x
Sanofi SA (France)	3.1	0.4	Price-to-Earnings (trailing) <sup>11</sup>	11.9x	15.6x
BNP Paribas SA (France)	3.1	0.3	Price-to-Book Value	1.4x	1.9x
Holcim AG (Switzerland)	3.0	0.2	Price-to-Sales <sup>13</sup>	1.2x	1.5x
Banco Santander SA (Spain)	3.0	0.3	Weighted Average Market Cap. (billions) <sup>14</sup>	\$96	\$93
Johnson Controls International PLC (United States)	2.9	-	Median Market Cap. (billions) <sup>15</sup>	\$41	\$4
GSK PLC (United Kingdom)	2.8	0.3			
TotalEnergies SE (France)	2.7	0.6			
UBS Group AG (Switzerland)	2.6	0.4			
Taiwan Semiconductor Manufacturing Co., Ltd. (Taiwan)	2.4	2.8			

Risks

The Fund invests in individual stocks 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, non-U.S. currency risk, liquidity risk, derivatives risk, and geographic risk. The Fund invests in foreign securities which involve political, economic and currency risks, greater volatility and differences in accounting methods. These risks are greater for emerging markets. Please read the [prospectus](#) for specific details regarding the Fund's risk profile.

- Active Share is a measure of how much an investment portfolio differs from its primary benchmark index, based on a scale of 0% (complete overlap with the index) to 100% (no overlap). Overlap for each security in the Fund is the lower of either its percentage weight in the Fund or its percentage weight in the relevant index. Active share is calculated as 100% minus the sum of the overlapping security weights.
- The Fund may classify a company or issuer in a different category than the Index. The Fund usually classifies a company or issuer based on its country of risk, but may designate a different country in certain circumstances.
- 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.
- 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.
- Portfolio Turnover is calculated as the lesser of the portfolio purchases or sales divided by the average portfolio value for the period.
- Beta is a measure of the volatility-or systematic risk-of a portfolio compared to the benchmark measured over a specified time period.
- Standard Deviation measures the volatility of the Fund's returns. Higher Standard Deviation represents higher volatility.
- Excludes derivatives.
- Net Cash & Other includes cash, short-term investments, unrealized gain (loss) on derivatives, receivables, and payables.
- 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.
- The portfolio's Price-to-Earnings ratios exclude extraordinary items and negative earnings. Benchmark figures exclude extraordinary items but include negative earnings.
- 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.
- Portfolio and benchmark calculation excludes Financials, Utilities, and Real Estate.
- 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.
- 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.)

Figures represented by a dash are zero or have no associated data while figures represented by a zero may be rounded to zero. The MSCI ACWI (All Country World Index) ex USA Index is a broad-based, unmanaged equity market index aggregated from developed and emerging market country indices, excluding the United States. This is the Fund's Primary Benchmark. The MSCI EAFE (Europe, Australasia, Far East) Index is a broad-based, unmanaged equity market index aggregated from developed market country indices, excluding the United States and Canada. It covers approximately 85% of the free float-adjusted market capitalization in each country. Results reflect dividends net of withholding taxes. 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 ACWI ex USA is a service mark of MSCI. MSCI EAFE is a service mark of MSCI. For more information, visit [dodgeandcox.com/index\\_disclosures](http://dodgeandcox.com/index_disclosures).

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