

## To Our Shareholders

The Dodge & Cox International Stock Fund—Class I had a total return of 22.38% for the six-month period ended June 30, 2025, compared to a return of 17.90% for the MSCI ACWI ex USA Index.<sup>1</sup>

### MARKET COMMENTARY

During the first half of 2025, investor enthusiasm shifted from U.S. to international equities amid concerns about the potential impact of U.S. tariff policies. The MSCI ACWI ex USA appreciated 17.9%, outpacing the S&P 500 Index by 11.7 percentage points.<sup>2</sup> The trade-weighted U.S. dollar depreciated 7.5%, providing a substantial tailwind for U.S.-based investors in international markets.

Developed market returns exceeded emerging market returns: the MSCI EAFE Index increased 19.5%, while the MSCI Emerging Markets Index rose 15.3% in the first half of 2025. Several European countries led the developed market universe, bolstered by interest rate cuts from the European Central Bank, which fueled investment activity. Within emerging markets, South Korea, emerging Europe, and Latin America stood out as the top performers.

While international equities outperformed U.S. equities, the valuation disparity between these markets remains wide. The MSCI ACWI ex USA trades at 14.1 times forward earnings, while the S&P 500 trades at 22.8 times forward earnings.<sup>3</sup> The relative value of international stocks to U.S. stocks is among the lowest-observed historical levels. Within international equities, the valuation spread between growth and value stocks is significant—the MSCI ACWI ex USA Growth Index trades at 19.9 times forward earnings, compared to only 10.8 times for the MSCI ACWI ex USA Value Index.

### INVESTMENT STRATEGY

We continue to find ways to enhance the portfolio in response to changing fundamentals and valuations. Over the past three years, there has been a notable shift in sector valuations relative to the market. For example, the Energy, Financials, and Materials sectors all traded in their lowest quintile of historical cheapness relative to the market three years ago. The Fund was meaningfully overweight these sectors because we identified several companies whose prospects for long-term earnings growth were not properly reflected in their low valuations. At the time, the market was very bifurcated, with most other sectors trading in their upper quartile of historic expensiveness.

The landscape is quite different now—what was once a bifurcated distribution is now more uniformly distributed. After performing strongly, the Financials and Materials sectors trade closer to

their historic average on a relative basis. Other sectors, such as Consumer Staples and Consumer Discretionary are in their lowest quartile of historic cheapness. As these relative valuations and corresponding risk/reward outlooks changed, we made significant adjustments to the Fund's sector positioning. The single largest shift was in Financials, the best-performing sector in the market and the Fund's largest driver of outperformance for the three-year period ended June 30. Based on the Financials sector's superior performance, we reduced the Fund's overweight from 5.2 percentage points to a slightly underweight position (58 basis points below). Within Financials, European and UK banks (discussed below) were particularly strong due to healthy earnings growth.

These valuation changes also enabled us to invest in higher-quality companies, those with better long-term growth prospects and returns on capital, which were previously unattractive from a valuation perspective. For example, we upgraded the quality of the portfolio by initiating or increasing positions in companies such as Cellnex and Coupang (highlighted below), while also discovering new opportunities in the Consumer Staples sector.<sup>4</sup>

### European and UK Financials: Trimming Amid Strong Results

During the first six months of 2025, we trimmed several European and UK banks—such as Banco Santander, Barclays, and BNP Paribas—following very strong performance. As a group, these companies generated total annualized returns of over 30% for the Fund over the past three years. This robust performance was largely driven by earnings growth, as a result of an improving credit cycle, higher interest rates, greater operating efficiency, and larger share buybacks. Interestingly, the MSCI Europe Banks industry has outperformed the “Magnificent Seven” stocks in the United States in each of the past one-, two-, three-, four-, and five-year periods.

We redeployed some of those proceeds into the Fund's positions in Asian life insurers, including AIA Group and Prudential PLC. They are the first and second-largest life insurers in the region, respectively, and their valuations embed low expectations for higher penetration rates over the long term. While the Fund's European and UK banks have done well, they remain compelling investments. On average, they trade at less than nine times forward earnings and feature high earnings growth potential and returns of capital through dividends and share buybacks. As of June 30, European and UK banks comprised 11.4% of the Fund.

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

## Identifying Opportunities in High Quality Businesses

As valuations across sectors have converged, we've been able to enhance the portfolio by investing in higher-quality businesses. We initiated a position in Cellnex, the largest European wireless communications tower operator. Its business model is attractive with high barriers to entry and long-term contracts supporting recurring revenue streams. The company grew its footprint over the last several years through an aggressive acquisition strategy. In late 2022, it announced a strategic pivot away from this strategy to prioritize debt reduction, organic growth, and returning capital to shareholders. The stock underperformed due to this shift, as well as pressure from rising interest rates and concerns about customer consolidation. This led the valuation to decline to an attractive point across several measures: relative to its own history, to the market, and to private market values for tower assets. We believe Cellnex is on the verge of a significant inflection in free cash flow generation, as commitments to building additional sites from prior acquisitions are declining, enabling dividends and share buybacks to ramp up. As of June 30, Cellnex represented a 1.0% position in the Fund.

We also added to the Fund's position in Coupang, the leading online retailer in South Korea. Led by founder Bom Kim, Coupang has reshaped South Korean e-commerce by offering a vast product assortment, low prices, and quick delivery—orders placed before midnight are delivered the next morning. It has experienced remarkable growth over the past five years, increasing its share of the South Korean e-commerce market from roughly 15% to 30%. There is also the potential for meaningful profit growth from a growing high-margin advertising business, as well as automation-led efficiency gains. Coupang was a 1.7% position in the Fund on June 30.

## Consumer Staples

The Consumer Staples sector has become much more attractive from a relative valuation perspective. Using our bottom-up approach, we have focused on companies operating in markets where we see enduring demand, competitive advantages, and improving fundamentals. During the first half of 2025, we started a position in Wal-Mart de Mexico (Walmex), Mexico's largest retailer. Walmex experienced heightened macroeconomic and competitive concerns last year, leading to a depressed valuation. The company may continue to face some headwinds, but its significant scale and operating advantages have helped the company weather previous storms. We believe Walmex stands to benefit from improving consumer sentiment in its core markets. As of June 30, Walmex accounted for 0.8% of the Fund.

Meanwhile, Reckitt—a global leader in health, hygiene, and nutrition—drew our attention due to significant weakness in the stock price following a legal setback in the United States. It lost a trial that alleged its infant milk product for very premature infants causes severe intestinal disease. The Fund started a position in 2024, as we believed the decline in Reckitt's valuation embedded a dire legal outcome and did not give it sufficient credit for its strong portfolio of well-known consumer brands—including Finish, Lysol, Mucinex, and Vanish. In addition, its new leadership team is streamlining the company's portfolio by selling slower-growing brands and increasing operational efficiency by reducing management layers and fixed operating costs. We recently added to the Fund's holding and remain encouraged by Reckitt's mid- to long-term growth prospects. Reckitt comprised 0.9% of the Fund on June 30.

## IN CLOSING

Our active approach remains rooted in our three- to five-year outlook for each holding and adjusting position sizes as internal and external conditions change. In addition, we closely monitor macro factors such as tariffs and incorporate their potential impact on companies' competitiveness, supply chains, and profitability.

Reflecting our commitment to price discipline, the Fund traded at 12.1 times forward earnings, compared to 14.1 times for the MSCI ACWI ex USA on June 30. We believe this discount, combined with the enhancement to the quality of companies in the Fund, positions it for attractive prospective returns over our long-term investment horizon. 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, 2025

### IN MEMORIAM: Charles Pohl (1958-2025)

We mourn the passing of our longtime colleague and friend, Charles Pohl. Charles joined Dodge & Cox in 1984 and served the firm with exceptional dedication for more than three decades, retiring in 2022. As Chairman and Chief Investment Officer, he was a steadfast steward of the firm's culture and investment approach. Charles was known for his intellect, passion for investing, and unwavering commitment to our clients. We honor his memory with deep gratitude for his enduring contributions to Dodge & Cox. His legacy continues to guide and inspire us.

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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 Class X shares inception date is May 2, 2022. The returns shown prior to that date are for the Class I shares.
  2. In the first half of 2025, the MSCI ACWI ex USA and S&P 500 had total returns of 17.90% and 6.20%, respectively.
  3. Unless otherwise specified, all weightings and characteristics are as of June 30, 2025.
  4. The use of specific examples does not imply that they are more or less attractive investments than the portfolio's other holdings.

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**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.**

Diversification does not ensure a profit or guarantee against loss.

See [Disclosures](#) for a full list of financial terms and Index definitions.

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>  
86.1%



# of Companies  
88



Countries Represented<sup>2</sup>  
21

## Details

Expense Ratio	0.62%
Total Net Assets (billions)	\$56.6
CUSIP	256206103
Distribution Frequency	Annually
30-Day SEC Yield <sup>4</sup>	2.02%
Portfolio Turnover <sup>5</sup> (1/1/2025 to 6/30/2025, unannualized)	6%

No sales charges or distribution fees

## Risk Metrics (5 Years)

Beta (vs. MSCI ACWI ex USA) <sup>6</sup>	1.09
Standard Deviation <sup>7</sup>	17.74

## Investment Committee

Managed by the International Equity Investment Committee, whose members' average tenure at Dodge & Cox is 23 years.

## Investment Objective

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

## Investment Approach

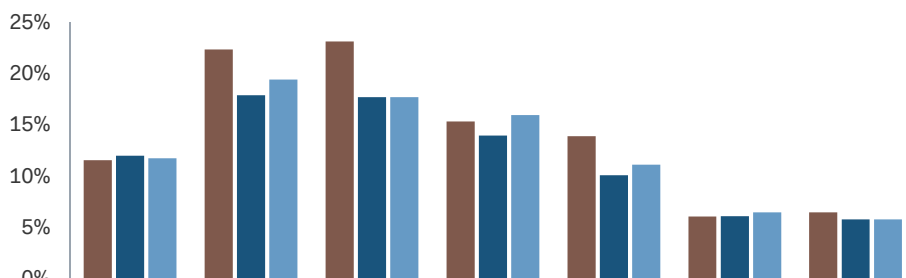
The Fund offers investors a highly selective, actively managed core international equity fund that typically invests in companies in developed markets, (excluding the United States), and emerging markets, based on our analysis of companies' fundamentals relative to their current valuations. Generally,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

Total Returns (%)

MSCI All Country  
World ex USA Index  
(MSCI ACWI ex USA)  
MSCI Europe,  
Australasia, and the  
Far East Index (MSCI  
EAFE)



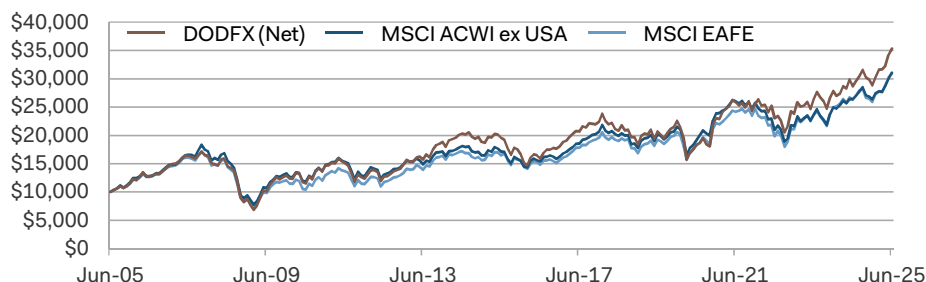
Average Annual Total Returns

	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	20 Years
DODFX (Net)	11.59	22.38	23.15	15.37	13.94	6.09	6.52
MSCI ACWI ex USA	12.03	17.90	17.72	13.99	10.13	6.12	5.83
MSCI EAFE	11.78	19.45	17.73	15.97	11.16	6.51	5.81

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, 2005



**David Hoeft**  
CIO (32 yrs at Dodge & Cox)



**Roger Kuo**  
President (27 yrs)



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



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



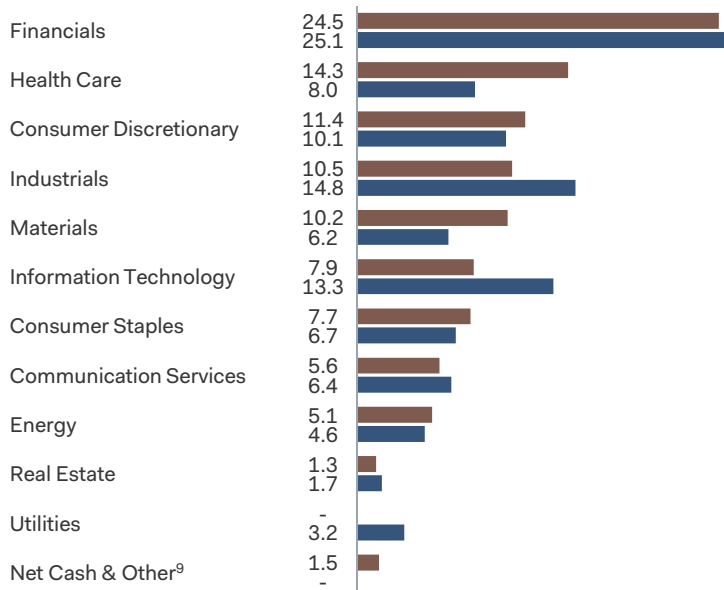
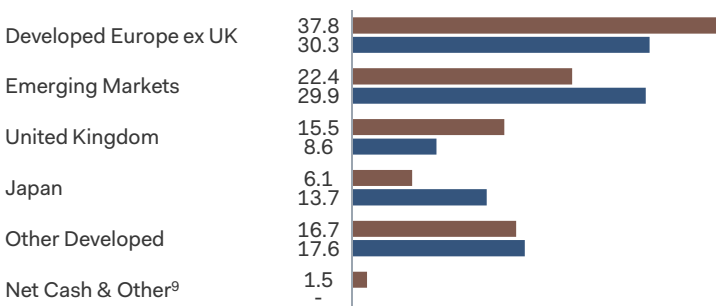
**Paritosh Somani**  
Global Industry Analyst  
(18 yrs)



**Sophie Chen**  
Global Industry Analyst  
(13 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>**

	Fund	MSCI ACWI ex USA
BNP Paribas SA (France)	3.3	0.3
Banco Santander SA (Spain)	3.3	0.4
Johnson Controls International PLC (United States)	3.2	-
Novartis AG (Switzerland)	2.7	0.8
Taiwan Semiconductor Manufacturing Co., Ltd. (Taiwan)	2.6	3.0
GSK PLC (United Kingdom)	2.6	0.3
Barclays PLC (United Kingdom)	2.5	0.2
Sanofi SA (France)	2.5	0.4
Itau Unibanco Holding SA (Brazil)	2.4	0.1
UBS Group AG (Switzerland)	2.3	0.4

**Portfolio Characteristics**

	Fund	MSCI ACWI ex USA
Price-to-Earnings (forward) <sup>11,12</sup>	12.1x	14.1x
Price-to-Book Value	1.6x	2.0x
Price-to-Sales <sup>13</sup>	1.2x	1.5x
Weighted Average Market Cap. (billions) <sup>14</sup>	\$109	\$99
Median Market Cap. (billions) <sup>15</sup>	\$42	\$6

**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.

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