Dodge & Cox®
Investment Focus

Balanced Fund

CLASS I SHARES
Open to All Investors

Fact Sheet

TICKER SYMBOL DODBX | 2022 MARCH 31

Objectives

- The Fund seeks regular income, conservation of principal, and an opportunity for long-term growth of principal and income.

Strategy

The Fund invests in a diversified portfolio of equity securities and debt securities.

- Equity Investments: The Fund typically invests in companies that, in Dodge & Cox's opinion, appear to be temporarily undervalued by the stock market but have a favorable outlook for long-term growth. Under normal circumstances, the Fund will invest no less than 25% and no more than 75% of its total assets in equity securities.
- Debt Investments: The Fund invests primarily in investment-grade debt securities including government and government-related obligations, mortgage- and asset-backed securities, corporate and municipal bonds, and other debt securities. To a lesser extent, the Fund may also invest in below investment-grade debt securities.

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. The Fund also invests in individual bonds whose yields and market values fluctuate, so that your 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. Please read the prospectus for specific details regarding the Fund's risk profile.

General Information

Net Asset Value Per Share	**$107.47**
Fund Total Net Assets (billions)	**$15.2**
Fund Inception	**1931**
Expense Ratio	**0.51%**
2021 Portfolio Turnover	**49%**
30-Day SEC Yield[a]	**1.52%**
Eligibility	**Open to All Investors**
No sales charges or distribution fees	

Investment Manager: Dodge & Cox, San Francisco. Managed by the U.S. Equity Investment Committee, whose eight members' average tenure at Dodge & Cox is 21 years, and by the U.S. Fixed Income Investment Committee, whose eight members' average tenure is 22 years.

Equity Investments (69.1%)[f]

	Fund
Number of Companies	**77**
Median Market Capitalization (billions)[c]	**$53**
Price-to-Earnings Ratio[c][d]	**12.1x**
Non-U.S. Securities not in the S&P 500[e]	**10.8%**

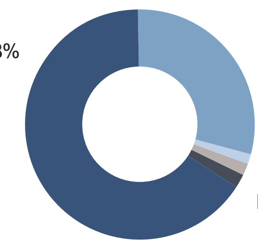
Five Largest Sectors (%)[f]

	Fund
Financials	**16.8**
Health Care	**14.5**
Information Technology	**11.8**
Communication Services	**9.7**
Energy	**6.5**

Ten Largest Equity Issuers (%)[f][g]

	Fund
Occidental Petroleum Corp.	**3.2**
Wells Fargo & Co.	**2.5**
Alphabet, Inc.	**2.2**
Charles Schwab Corp.	**2.1**
Sanofi (France)	**2.1**
GlaxoSmithKline PLC (United Kingdom)	**2.0**
Fiserv, Inc.	**1.9**
Cigna Corp.	**1.9**
Comcast Corp.	**1.8**
FedEx Corp.	**1.6**

Asset Allocation



Fixed Income Investments (29.3%)

	Fund
Number of Credit Issuers	**57**
Effective Duration (years)[j]	**4.5**

Sector Diversification (%)

	Fund
U.S. Treasury	**4.9**
Government-Related	**1.2**
Securitized	**12.9**
Corporate	**10.3**

Credit Quality (%)[i]

	Fund
AAA	**16.4**
AA	**1.4**
A	**1.2**
BBB	**7.0**
BB	**3.4**
B	**0.0**
CCC and Below	**0.0**
Not Rated	**0.0**

Five Largest Credit Issuers (%)[g]

	Fund
Ford Motor Credit Co. LLC	**0.7**
Charter Communications, Inc.	**0.7**
Petroleos Mexicanos	**0.6**
Prosus NV	**0.4**
HSBC Holdings PLC	**0.4**

Market values for debt securities and preferred equity securities include accrued interest.

(a) 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.

(b) The Fund holds a short S&P 500 futures position with a notional value of approximately -1.8% of the Fund's total net assets. This position is intended to reduce the exposure of the Fund's equity allocation to a general downturn in the equity markets, but if the S&P 500 index increases in value, the position will cause a loss for the Fund, which could be in addition to losses suffered in respect to its stock holdings.

(c) Excludes the Fund's preferred equity securities.

(d) Price-to-earnings (P/E) 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.

(e) Non-U.S. stocks are U.S. dollar denominated.

(f) Includes direct and synthetic equity investments.

(g) 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.

(h) Net Cash & Other includes cash, short-term investments, unrealized gain (loss) on derivatives, receivables, and payables.

(i) 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. 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. The credit quality of the investments in the portfolio does not apply to the stability or safety of the Fund or its shares.

(j) Interest rate derivatives reduce total duration of the fixed income portfolio by 0.2 years (i.e., total fixed income portfolio duration is 4.7 years without derivatives).

Average Annual Total Return[1]

For periods ended March 31, 2022	1 Year	3 Years	5 Years	10 Years	20 Years
Dodge & Cox Balanced Fund – Class I	7.79%	12.33%	9.61%	10.73%	8.08%
Combined Index	7.50	12.14	10.59	9.77	7.43

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. 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.

The Dodge & Cox Balanced Fund – Class I had a total return of –0.7% for the first quarter of 2022, compared to –5.1% for the Combined Index (a 60/40 blend of stocks and fixed income securities).

Investment Commentary

The broad-based U.S. equity market was very strong in 2021, with the S&P 500 up 29%. However, in the first quarter of 2022, U.S. equities were volatile and posted negative returns amid geopolitical tensions, higher inflation, and a shift toward less accommodative monetary policy. In February, Russia launched an invasion of Ukraine, which contributed to rising oil and commodity prices. In the United States, supply chain bottlenecks and labor market shortages have further constrained supply and propelled prices higher. Inflation (measured by the Consumer Price Index) rose to 8.5% for the year ended March 31, 2022—the largest increase since 1982. Partially in response, the Federal Reserve tightened U.S. monetary policy and raised the fed funds rate by 25 basis points,[2] its first interest rate hike since 2018.

The U.S. equity market appears to be fully valued, and the valuation disparity between value and growth stocks[3] remains wide, despite value's outperformance in the first quarter. The Russell 1000 Value trades at 15.8 times forward earnings compared to 27.2 times for the Russell 1000 Growth Index.[4] As a value-oriented manager, we are encouraged by recent performance; however, value stocks have been out of favor for a decade and we believe they are likely to recover more over time.

The Fund's equity portfolio continues to trade at a meaningful discount to both the broad-based and value indices: 12.1 times forward earnings compared to 19.8 times for the S&P 500 and 15.8 times for the R1000V. The equity portfolio is underweight high-valuation growth stocks that we believe are more at risk due to lofty expectations for their future performance, and overweight low-priced stocks that stand to benefit from economic growth and higher interest rates. For example, the equity portfolio's substantial holdings in the Financials sector (24.3% versus 11.1% in the S&P 500 and 20.8% in the R1000V) have inexpensive valuations, are highly geared toward an economic recovery, and stand to benefit from rising interest rates. Despite higher commodity prices and rising interest rates, we believe the U.S. economy will expand over our three- to five-year investment horizon. Consumer balance sheets are strong, and spending on gasoline is a lower share of disposable income than in the past. The fading impact from COVID-19 continues to provide a growth tailwind to many industries.

During the first quarter, we actively reduced the equity portfolio's holdings in the Energy sector by selling Halliburton and Hess and trimming Baker Hughes, and Occidental Petroleum, as their stock prices increased.[5] Despite these reductions, the equity portfolio remains overweight the Energy sector. Supply growth remains constrained by global underinvestment and more recently, geopolitical events. Company management teams have restrained capital spending, which has led to improved free cash flow and distributions to shareholders. We also initiated four new positions in the equity portfolio in four different industries: Gaming and Leisure Properties, General Electric, UBS Group, and Zimmer Biomet.

The first three months of 2022 were tumultuous for fixed income markets. The Bloomberg U.S. Aggregate Bond Index suffered its worst quarterly return in more than 40 years. Both interest rates and credit spreads rose substantially, an unusual phenomenon that was influenced by market concerns about persistent inflation, an aggressive Federal Reserve, a possible slowdown in economic growth, the lingering COVID-19 pandemic, and escalating geopolitical conflict. Rates reacted strongly to the Fed's hawkish stance and the ongoing inflation surge: the 2- and 10-year U.S. Treasury yields leapt by 160 and 83 basis points ending at 2.33% and 2.34%, respectively, resulting in the flattest yield curve since 2019.

Over the course of the first quarter, we made a number of adjustments to the Fund's fixed income portfolio. The large intra-quarter risk sell off created several interesting opportunities within both credit and Agency MBS. As a result, we deployed some of the fixed income portfolio's stock of "dry powder" (i.e., U.S. Treasuries), which we had built up throughout 2021. We increased the fixed income portfolio's credit weighting, initiating a position in Goldman Sachs (a systemically important U.S. bank with a strong credit profile rooted in its leading capital markets business) and adding to numerous existing holdings. We also increased the fixed income portfolio's weighting in the Agency MBS sector. Amid these changes, we maintained the fixed income portfolio's significantly below-benchmark duration target to mitigate price declines associated with rising interest rates.

We believe patience, persistence, and a long-term investment horizon are essential to investment success. We encourage our shareholders to take a similar view. Thank you for your continued confidence in Dodge & Cox.

First Quarter Performance Review

The Fund underperformed the Combined Index by 4.4 percentage points during the quarter. The Fund's higher allocation to equities had a positive impact on relative results.

Equity Portfolio[6]

- The Fund's overweight position and holdings in the Energy sector (up 39%, in line with the S&P 500 sector) contributed to results. Occidental Petroleum, Williams Companies, Baker Hughes, and ConocoPhillips performed well.
- In Information Technology, the Fund's holdings (down 3%) fared better than the S&P 500 sector (down 8%).
- The Fund's overweight position and holdings in the Health Care sector (up 1% versus down 3% for the S&P 500 sector) aided performance. Bristol-Myers Squibb and Sanofi were key contributors.
- In Financials, the Fund's overweight position had a positive impact. Credicorp and Wells Fargo were particularly strong.
- Stock selection in the Industrials sector was negative. Johnson Controls International was particularly weak.
- Other key detractors included Charter Communications and Gilead Sciences.

Fixed Income Portfolio

- The portfolio's below-benchmark duration position (71%[7] of the Bloomberg U.S. Aggregate Bond Index) significantly contributed to relative returns.
- Security selection was negative. The portfolio's Agency MBS holdings underperformed the MBS in the benchmark as well as comparable-duration Treasuries, and certain corporate issuers underperformed, including Prosus, Charter Communications, and UniCredit. This was partially offset by the outperformance of several energy-related credit issuers, including TC Energy, Petrobras, Pemex, Ultrapar, and Occidental Petroleum.
- The portfolio's underweight to U.S. Treasuries detracted from relative returns.

1 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 dividends 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 Barclays U.S. Aggregate Bond Index, 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 One basis point is equal to 1/100th of a percent.
3 Generally, stocks that have lower valuations are considered "value" stocks, while those with higher valuations are considered "growth" stocks.
4 Unless otherwise specified, all weightings and characteristics are as of March 31, 2022.
5 The use of specific examples does not imply that they are more or less attractive investments than the portfolio's other holdings.
6 Excludes the Fund's hybrid securities.
7 Figures cited in this section denote positioning at the beginning of the period.