Dodge & Cox®
Investment Focus

Income Fund

September 30, 2023

Performance[1]

Total Returns (%)

	3 Months	YTD	Average Annual Total Returns 1 Year	3 Years	5 Years	10 Years	20 Years
Income Fund — Class I	-2.77%	0.34%	3.11%	-3.16%	1.31%	2.18%	3.63%
Income Fund — Class X	-2.67%	0.40%	3.18%	-3.10%	1.35%	2.20%	3.63%
Bloomberg U.S. Aggregate Bond Index (BBG U.S. Agg)	-3.23%	-1.21%	0.64%	-5.21%	0.10%	1.13%	2.85%

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 currently may be significantly lower than stated above. Performance is updated and published monthly. Current month-end performance can be obtained at dodgeandcox.com or by calling 800-621-3979.

Market Commentary

Longer-term U.S. Treasury yields[2] surged in the third quarter of 2023 to their highest levels in 15 years as investors recalibrated expectations for economic activity and Federal Reserve policy. The U.S. economy has proven remarkably resilient, growing at a healthy pace despite 525 basis points[3] (bps) of fed funds rate increases since March 2022. Reflecting price declines associated with rising rates, the Bloomberg U.S. Agg returned -3.2% for the quarter.

After raising the fed funds rate by 25 bps in July, the Fed held rates steady in September but policymakers indicated they expect to keep rates higher for longer through 2024 to maintain policy firmness and continue to exert downward pressure on inflation. Core PCE[4], the Fed's preferred inflation metric, rose 3.9% from a year earlier, a deceleration from 4.7% last quarter, but still well above the central bank's 2% target.

The investment-grade Corporate sector outperformed comparable-duration[5] Treasuries amid continued demand and muted new issuance. The Agency[6] mortgage-backed securities (MBS) sector underperformed comparable-duration Treasuries, influenced by elevated interest rate volatility and limited refinancing activity.

Portfolio Strategy

During the third quarter, we lengthened the Fund's duration by half a year to 5.7 years given the fundamental attractiveness of current yield levels and a growing likelihood that interest rates will decline from this point over our investment horizon. We achieved part of the extension in portfolio duration through a 30-year Treasury Inflation-Protected Securities (TIPS) investment.

Within credit, we reduced several holdings (e.g., CVS, Ford Motor Credit, Goldman Sachs[7]). At this point, we have reduced the Fund's credit weighting by six percentage points through the first nine months of 2023 (including three percentage points in the third quarter) amid narrowing yield premiums.

We maintained the Fund's large and diversified portfolio of Agency MBS, featuring low-coupon 30-year pass-through securities with low prepayment risk and compelling valuations.

With broad bond market yields at their highest level in 15 years, we are optimistic about the long-term absolute return prospects for fixed income. We're also excited about the Fund's relative return prospects given the opportunity to add value within the Credit and Securitized sectors. Thank you for your continued confidence in Dodge & Cox.

Performance Review (Fund's Class I Shares vs. Bloomberg U.S. Agg)

Third Quarter

Key contributors to relative results included the Fund's:

- Below-benchmark duration position;
- Credit issuer selection, most notably Pemex, Petrobras, Charter Communications, and Telecom Italia;
- Overweight position in corporate bonds; and,
- FFELP[8] Student Loan ABS, which performed well.

Key detractors from relative results included the Fund's:

- Overweight to Agency MBS and compositional selection within the sector; and,
- Holdings in certain credits, such as TC Energy, that underperformed.

Year to Date

Key contributors to relative results included the Fund's:

- Credit issuer selection, particularly Charter Communications, Pemex, Telecom Italia, and Enel;
- Below-benchmark duration position;
- Overweight position in corporate bonds and underweight position in U.S. Treasuries; and,
- FFELP Student Loan ABS, which performed well.

Key detractors from relative results included the Fund's

- Overweight to Agency MBS and compositional selection within the sector.

Top Ten Issuers

Top Ten Issuers	% of Fund
Fannie Mae	20.7%
Freddie Mac	12.9%
U.S. Treasury Note/Bond	11.4%
Ginnie Mae	6.8%
Navient Student Loan Trust	3.9%
Charter Communications, Inc.	2.3%
Petroleos Mexicanos	2.0%
HSBC Holdings PLC	1.9%
Prosus NV	1.7%
Ford Motor Credit Co. LLC	1.7%

Fund Expense Ratios

Fund Expense Ratios	Ticker	Net	Gross
Income Fund — Class I	DODIX	0.41%	0.41%
Income Fund — Class X	DOXIX	0.33%*	0.36%

* Dodge & Cox has contractually agreed to reimburse the Fund for all ordinary expenses to the extent necessary to maintain Total Annual Fund Operating Expenses of the Fund's Class X shares at 0.33% until April 30, 2026. This agreement cannot be terminated prior to April 30, 2026 other than by resolution of the Fund's Board of Trustees. For purposes of the foregoing, ordinary expenses shall not include nonrecurring shareholder account fees, fees and expenses associated with Fund shareholder meetings, fees on portfolio transactions such as exchange fees, dividends and interest on short positions, fees and expenses of pooled investment vehicles that are held by the Fund, interest expenses and other fees and expenses related to any borrowings, taxes, brokerage fees and commissions and other costs and expenses relating to the acquisition and disposition of Fund investments, other expenditures which are capitalized in accordance with generally accepted accounting principles, and other non-routine expenses or extraordinary expenses not incurred in the ordinary course of the Fund's business, such as litigation expenses. The term of the agreement will automatically renew for subsequent three-year terms unless terminated with at least 30 days' written notice by either party prior to the end of the then-current term. The agreement does not permit Dodge & Cox to recoup any fees waived or payments made to the Fund for a prior year.

The information provided is not a complete analysis of every material fact concerning any market, industry or investment. Data has been obtained from sources considered reliable, but Dodge & Cox makes no representations as to the completeness or accuracy of such information. The information provided is historical and does not predict future results or profitability. This is not a recommendation to buy, sell, or hold any security and is not indicative of Dodge & Cox's current or future trading activity. Any securities identified are subject to change without notice and do not represent a Fund's entire holdings. Dodge & Cox does not guarantee the future performance of any account (including Dodge & Cox Funds) or any specific level of performance, the success of any investment decision or strategy that Dodge & Cox may use, or the success of Dodge & Cox's overall management of an account.

The Fund invests in individual bonds and other securities whose yields and market values fluctuate, so that your investment may be worth more or less than its original cost. The Fund's 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, non-U.S. investment risk, liquidity risk, derivatives risk, call risk, sovereign and government-related debt risk, manager risk, market risk, and hybrid securities risk. The Fund may use derivatives to create or hedge investment exposure, which may involve additional and/or greater risks than investing in securities, including more liquidity risk and the risk of a counterparty default. Some derivatives create leverage.

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, or for current month-end performance figures, visit dodgeandcox.com or call 800-621-3979. Please read the prospectus and summary prospectus carefully before investing.

Dodge & Cox Funds are distributed by Foreside Fund Services, LLC, which is not affiliated with Dodge & Cox.

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. The Bloomberg U.S. Aggregate Bond Index is a widely recognized, unmanaged index of U.S. dollar-denominated, investment-grade, taxable fixed income securities.
2. The 10-year U.S. Treasury yields rose 73 basis points quarter-over-quarter to 4.57%, its highest level since 2007.
3. One basis point is equal to 1/100th of 1%.
4. Personal consumption expenditures (PCE) measure how much consumers spend on durable and nondurable goods and services. Core PCE prices exclude food and energy prices.
5. Duration is a measure of a bond's (or a bond portfolio's) price sensitivity to changes in interest rates.
6. 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.
7. The use of specific examples does not imply that they are more or less attractive investments than the Fund's other holdings.
8. FFELP is the Federal Family Education Loan Program.