Dodge & Cox®
Investment Focus

Income Fund

December 31, 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	7.32	7.69	7.69	-1.66	2.70	2.79	3.94
Income Fund — Class X	7.33	7.76	7.76	-1.60	2.73	2.80	3.94
Bloomberg U.S. Aggregate Bond Index (BBG U.S. Agg)	6.82	5.53	5.53	-3.31	1.10	1.81	3.17

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

During the fourth quarter, investors became increasingly convinced that the Federal Reserve could successfully engineer a "soft landing" with receding inflation and short-term interest rate cuts expected in 2024. This pivot in sentiment drove U.S. Treasury yields sharply lower in the final stretch of the year and fueled the Bloomberg U.S. Agg's impressive 6.8% fourth quarter return, the strongest quarterly return in 30 years. For the year, the Bloomberg U.S. Agg returned 5.5%.

Recent data point to a cooling, yet surprisingly resilient, U.S. economy:

- The labor market added 165,000 jobs per month in the fourth quarter (versus 245,000 in the previous nine months) with job openings statistics still high but declining;
- GDP grew 5.2% (annualized) in the third quarter, its fastest pace in nearly two years; and
- Inflation rose 2.9% on an annual basis through December, a far cry from the 4.9% increase a year earlier.

For 2023, the investment-grade Corporate sector returned 8.5% and outperformed comparable-duration[2] Treasuries by 4.6 percentage points as credit spreads tightened to the lowest levels since early 2022. Agency[3] mortgage-backed securities (MBS) returned 5.1%, modestly outperforming comparable-duration Treasuries despite the volatile interest rate backdrop.

Portfolio Strategy

We capitalized on 2023's dynamic market environment through actively managing the Fund's duration, sector, and issuer positioning. Early in the year, following sharp interest rate declines, we modestly reduced portfolio duration. Later in the year, as yields rose to levels more in line with our expectations, we lengthened the Fund's duration, which now stands at 6.0 years, compared to 6.2 years for the Bloomberg U.S. Agg.

We steadily reduced the Fund's Corporate sector weighting throughout 2023 amid narrowing yield premiums. We focused trims on longer maturities where valuations had become fuller after the strong rally. Within the Securitized sector, we added slightly to the Fund's large and diversified portfolio of Agency MBS and remain excited about the compelling combination of low prepayments and attractive yields. We also increased the Fund's Treasury and net cash position, which provides flexibility and liquidity should interesting opportunities arise.

While broad bond market yields declined in the final stretch of 2023, they remain high relative to the past decade, making us optimistic about the long-term return prospects for fixed income. We're also excited about the Fund's relative return prospects given the opportunity to actively manage portfolio exposures. Thank you for your continued confidence in Dodge & Cox.

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

Fourth Quarter

Key contributors to relative results included the Fund's:

- Underweight position in U.S. Treasuries and overweight position in corporate bonds;
- Credit issuer selection, most notably Pemex, as well as UniCredit, Charter Communications, and Prosus; and
- Overweight to Agency MBS and compositional selection within the sector.

Modest detractors from relative results included the Fund's:

- Yield curve[4] positioning; and
- Ginnie Mae-guaranteed Home Equity Conversion Mortgage holdings (also known as reverse mortgages), which underperformed.

2023

Key contributors to relative results included the Fund's:

- Credit issuer selection, particularly Pemex, Charter Communications, UniCredit, and Telecom Italia;
- Underweight position in U.S. Treasuries and overweight position in corporate bonds;
- Below-benchmark duration position; and
- Strong performance of FFELP[5] Student Loan ABS.

There were no notable detractors during the period.

Top Ten Issuers

Top Ten Issuers	% of Fund
Fannie Mae	20.4%
Freddie Mac	14.9%
U.S. Treasury Note/Bond	12.2%
Ginnie Mae	6.1%
Navient Student Loan Trust	3.6%
Charter Communications, Inc.	2.3%
Petroleos Mexicanos	2.1%
HSBC Holdings PLC	2.0%
Prosus NV	1.7%
JPMorgan Chase & Co.	1.6%

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 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. Duration is a measure of a bond's (or a bond portfolio's) price sensitivity to changes in interest rates.
3. 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.
4. A yield curve is a graphical representation of the interest rates on debt for a range of maturities. It shows the yield an investor expects to earn for lending money for a given period of time.
5. FFELP is the Federal Family Education Loan Program.