Dodge & Cox Funds®

Balanced Fund

To Our Shareholders

The Dodge & Cox Balanced Fund had a total return of 19.3% for the year ended December 31, 2021, compared to a return of 15.9% for the Combined Index (a 60/40 blend of stocks and fixed income securities).

Market Commentary

In 2021, the broad-based U.S. equity market posted exceptionally strong results: the S&P 500 was up 29%. However, it was a tale of two halves for the performance of value and growth stocks.[a]

During the first half of the year, U.S. value stocks appreciated significantly and outperformed growth stocks, reflecting investors' expectations for a sustained economic recovery. The successful rollout of COVID-19 vaccines, unprecedented fiscal and monetary stimulus, healthy consumer balance sheets, and tightening labor markets created optimism about U.S. economic growth and helped propel stock market returns.

In the second half of 2021, however, value stocks underperformed as COVID-19 variants disrupted the economic rebound in the United States. While absolute returns were positive, investors expressed concerns about rising prices and wages, fading fiscal stimulus, and looming monetary tightening by the Federal Reserve. Strong consumer balance sheets and easy access to credit have supported consumer demand, but supply chain bottlenecks and labor market frictions have contributed to the highest inflation since the 1980s.

The U.S. investment-grade fixed income market delivered a –1.5% return for the year largely due to price declines associated with rising Treasury yields, which overwhelmed the modest income earned over the year. With data showing elevated and persistent inflation combined with a solid labor market, the Federal Open Market Committee announced plans to scale back the central bank's monthly bond purchases and phase them out entirely by March 2022. At the same time, policymakers signaled they are likely to raise interest rates at least three times in 2022. The investment-grade Corporate sector returned –1.0%[b], but outperformed comparable-duration[c] Treasuries by 1.6 percentage points due to solid credit fundamentals and continued investor demand.

Investment Strategy

We regularly assess the appropriate asset allocation for the Fund, which we set based on our long-term outlook for the Fund's equity, fixed income, and hybrid securities (e.g., preferred stock). While we build the portfolio on a bottom-up basis, we also determine the optimal allocation by modeling expected return and risk (or variability of return) for each broad asset class and Fund holding. Reflecting our more positive outlook for equities than fixed income, the Fund holds 69.9% in equities, which is partially hedged by a 4.0% short S&P 500 futures notional position, 25.5% in fixed income securities, and 1.6% in preferred equity.[d]

We also regularly estimate the Fund's "effective equity exposure" because common stock allocation is not always the best guide for measuring how the Fund's portfolio risk compares to its 60/40 benchmark. The Fund's equity positions, for example, are more pro-cyclical than the S&P 500 benchmark. The Fund also has equity risk from its preferred stock holdings and credit[e] tilt within the bond portfolio. In an attempt to hedge unwanted equity risk, the Fund holds a short S&P 500 futures position with a notional value of 4.0% of the Fund's total net assets. We are excited about the prospects for the equity portfolio, but less optimistic about the return prospects of the overall U.S. equity market. In shorting equity index futures, we have been able to manage the overall equity exposure of the Fund while still maintaining idiosyncratic exposure to the companies we favor.

Equity Strategy

While the U.S. equity market is fully valued in our opinion, the Fund's equity portfolio trades at a meaningful discount to both the broad-based and value indices (13.0 times forward earnings compared to 22.1 times for the S&P 500 and 16.9 times for the Russell 1000 Value). As a result of our bottom-up, disciplined decision-making process, the portfolio is overweight low-valuation stocks, which we believe are attractive given the currently wide valuation disparities between U.S. growth and value stocks. The portfolio is composed mostly of companies with strong franchises that should benefit from long-term economic growth in our view. In addition, the equity portfolio remains underweight higher-valuation growth stocks, which we believe are more at risk due to lofty expectations for future performance.

During 2021, we made gradual portfolio adjustments based on relative valuation changes. Many of the portfolio's holdings in the Financials and Energy sectors performed strongly, and we trimmed American Express, Bank of America, Capital One, and Baker Hughes.[f] Despite these trims, the portfolio remains meaningfully overweight Financials and Energy. On December 31, these two sectors comprised 32.2% of the portfolio, compared to 13.4% of the S&P 500 and 25.8% of the Russell 1000 Value. The equity portfolio's Financials holdings are inexpensive, well capitalized, and could return meaningful amounts of capital to shareholders in 2022. Higher interest rates could further propel earnings growth.

In Energy, oil prices rose 51% in 2021 as demand continued to rebound from pandemic-induced lows and exceeded supply throughout the year. Many energy companies have improved capital allocation by restraining spending on traditional oil and gas projects and returning more capital to shareholders. At current commodity prices, the portfolio's energy holdings trade at attractive valuations and generate substantial free cash flow, which can be used for increased returns to shareholders.

While we reduced our exposure to Financials and Energy throughout the year, we added substantially to the portfolio's holdings in the Health Care and Communication Services sectors. We selectively increased the portfolio's exposure to businesses with attractive valuations and durable franchises.

Health Care

Our largest additions to the portfolio in 2021 were in Health Care. Based on our value-oriented approach and analysis of the fundamentals, we initiated two new equity positions in the sector—Elanco Animal Health and Regeneron Pharmaceuticals—and added to the portfolio's pharmaceutical holdings in GlaxoSmithKline, Novartis, Roche Holding, and Sanofi. In Biotechnology, we added substantially to Gilead Sciences, highlighted below, and Incyte.

Gilead Sciences

Gilead is a biopharmaceutical company that develops and commercializes antiviral drugs for HIV, hepatitis B, hepatitis C, and influenza. While Gilead has a stable legacy HIV franchise, the company has struggled to build a pipeline capable of delivering the next set of products to drive its long-term growth. The HIV business will face pressure in the mid-2020s as patents expire. Since becoming Chairman and CEO in March 2019, Dan O'Day has made significant changes to the management team, and the company has

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a. Generally, stocks that have lower valuations are considered "value" stocks, while those with higher valuations are considered "growth" stocks.
b. Sector returns as calculated and reported by Bloomberg.
c. Duration is a measure of a bond's (or a bond portfolio's) price sensitivity to changes in interest rates.
d. Unless otherwise specified, all weightings and characteristics are as of December 31, 2021.
e. Credit securities refers to corporate bonds and government-related securities, as classified by Bloomberg.
f. The use of specific examples does not imply that they are more or less attractive investments than the portfolio's other holdings.

invested aggressively to find products capable of generating growth outside of the legacy business. In September 2020, Gilead announced its acquisition of Immunomedics for $21 billion. Immunomedics' most commercially promising asset is Trodelvy, a differentiated oncology drug that management hopes will become the cornerstone of Gilead's oncology franchise. At only nine times earnings, Gilead increases the portfolio's exposure to innovation at an attractive price. Gilead was 2.1% of the equity portfolio on December 31.

Communication Services

In Communication Services, the portfolio's holdings have demonstrated strong cash flow generation, high recurring revenues, and pricing power. In addition, their customers have utility-like demand for broadband services. We added meaningfully to Charter Communications, which exemplifies these attractive attributes.

Charter Communications

Charter (2.2% of the equity portfolio) is the second-largest cable operator in the United States, and has more than 27 million internet subscribers. We added to Charter based on its reasonable valuation and ability to generate cash flow, which has provided significant value to shareholders over the years via share repurchases. Over the last five years, Charter has returned over $35 billion of capital to shareholders via share buybacks, and we believe substantial capital return will continue going forward. Cable is a business with significant barriers to entry, healthy free cash flow generation, reasonable long-term growth prospects, and consistent pricing power.

Fixed Income Strategy

Over the course of the year, we made a number of incremental adjustments to the fixed income portfolio. In the first half of the year, as credit valuations became more challenged, we trimmed a number of credit holdings that had performed well and reached what we viewed as their full valuation. As the year unfolded, we also grew increasingly confident in the economic recovery and the prospects for a "normalization" of interest rates, particularly long rates. We expressed this growing conviction by reducing the portfolio's duration, or interest rate sensitivity, to reflect our view that long-term interest rates are likely to rise by more than what is currently priced in the market.

The Credit Sector: Selectively Reducing Exposure at Rich Valuations

Credit trims within the portfolio were broad-based and bottom-up, but in our opinion, the individual securities generally exhibited some combination of a less compelling valuation, higher potential for volatility, or significant price risk given their long maturities. Examples of issuers we trimmed included Bank of America, Cox Communications, Exxon Mobil, and Wells Fargo.

Despite reducing the portfolio's credit exposure generally, we found a few idiosyncratic opportunities. For example, we added to T-Mobile U.S., the second largest wireless provider in the country, and in our opinion, an issuer with reasonably-priced securities and a solid foundation for credit improvement as the integration of Sprint's customers and network assets continues. We purchased the company's senior unsecured bonds (rated below investment grade) which we believe will perform well as the issuer's ratings profile migrates towards fully investment grade.

Corporate fundamentals and the macroeconomic backdrop remain sound in our view, but spreads price in a minimal margin of error in the face of elevated event risk and uncertainty related to virus developments and tightening monetary policy. While current valuation levels have tempered our enthusiasm for the credit sector generally, we believe the long-term total return prospects for a thoroughly researched portfolio of credit issuers are attractive, particularly relative to other investment-grade fixed income sectors.

The Securitized Sector: Incremental Adjustments to Bolster Portfolio Yield

We adjusted the portfolio's overall Agency[g] MBS weighting and composition over the course of 2021 as valuations and our assessment of fundamentals changed. With mortgage spreads fairly tight, particularly in the first half of the year, we modestly reduced the portfolio's Agency MBS weighting. At the same time, we sold certain higher-coupon securities, which offer less prepayment protection, and we added a mix of lower-coupon, lower loan balance pools.

We did not make any significant changes to the portfolio's small position in AAA-rated asset-backed securities (ABS). The portfolio continues to hold floating rate ABS backed by 97% federally guaranteed student loans. These short-duration securities trade at attractive levels relative to ABS and MBS alternatives, and their floating rate coupon adds a defensive duration element to the portfolio.

Defensive Duration: Mitigating the Risk of Rising Rates over Time

We reduced the portfolio's duration modestly during the year, primarily by selling longer-duration Treasuries and buying shorter-duration ones with less price risk. This adjustment reflects our growing discomfort with assuming significant interest rate/duration risk at today's low yield levels given scarce income to offset price declines from even a small rise in interest rates. In our opinion, this represents an asymmetric and unfavorable tradeoff for fixed income investors.

Our Rates Group regularly produces base, down, and up scenarios for the evolution of rates. In our base case, we are roughly aligned with market expectations for the short to intermediate part of the curve, which reflects the Fed's hiking plans. However, we believe long-term interest rates are likely to rise by more than what is currently priced in the market. Given this outlook, we've positioned the portfolio in line with the Bloomberg U.S. Agg through the intermediate part of the yield curve, but underweight duration at the long end of the curve.

In Closing

We remain optimistic about the long-term outlook for our value-oriented Fund. While value stocks performed well in 2021, value has been out of favor for over a decade and large valuation disparities remain. In the coming years, we believe the equity portfolio is likely to benefit from higher interest rates and accelerating economic growth. Within the fixed income portfolio, we continue to seek opportunities to build yield through our bottom-up, research-driven investment approach.

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 our firm. As always, we welcome your comments and questions.

For the Board of Trustees,

Charles F. Pohl,
Chairman

Dana M. Emery,
President

February 1, 2022

g. 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.

Dodge & Cox Funds®

December 31, 2021

Balanced Fund

TICKER SYMBOL
DODBX

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.

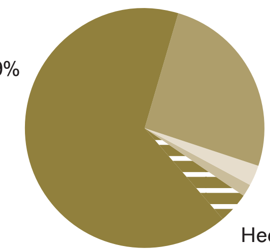
General Information

Net Asset Value Per Share	$109.41
Total Net Assets (billions)	$15.3
2021 Expense Ratio	0.52%
Expense Ratio per 5/1/21 Prospectus	0.53%
2021 Portfolio Turnover	49%
30-Day SEC Yield[a]	1.35%
Fund Inception	1931

No sales charges or distribution fees

Investment Manager: Dodge & Cox, San Francisco. Managed by the U.S. Equity Investment Committee, whose nine members' average tenure at Dodge & Cox is 23 years, and by the U.S. Fixed Income Investment Committee, whose eight members' average tenure is 22 years.

Asset Allocation



Equity Investments (71.5%)[f]	Fund
Number of Companies	**73**
Median Market Capitalization (billions)[c]	**$51**
Price-to-Earnings Ratio[c][d]	**13.0x**
Non-U.S. Securities not in the S&P 500[e]	**11.5%**

Five Largest Sectors (%)[f]	Fund
Financials	**18.2**
Health Care	**15.5**
Information Technology	**13.3**
Communication Services	**10.3**
Energy	**4.8**

Ten Largest Equity Issuers (%)[f][g]	Fund
Wells Fargo & Co.	**3.1**
Charles Schwab Corp.	**2.6**
Alphabet, Inc.	**2.5**
Sanofi (France)	**2.5**
GlaxoSmithKline PLC (United Kingdom)	**2.4**
Comcast Corp.	**2.0**
HP, Inc.	**2.0**
Fiserv, Inc.	**1.9**
Cigna Corp.	**1.9**
Capital One Financial Corp.	**1.8**

Fixed Income Investments (25.5%)	Fund
Number of Credit Issuers	**55**
Effective Duration (years)	**4.8**

Sector Diversification (%)	Fund
U.S. Treasury	**5.2**
Government-Related	**1.0**
Securitized	**10.9**
Corporate	**8.4**

Credit Quality (%)[i]	Fund
U.S. Treasury/Agency/GSE	**14.3**
AAA	**0.3**
AA	**1.4**
A	**0.8**
BBB	**6.0**
BB	**2.8**
B	**0.0**
CCC	**0.0**

Five Largest Credit Issuers (%)[g]	Fund
Charter Communications, Inc.	**0.5**
Petroleos Mexicanos	**0.5**
JPMorgan Chase & Co.	**0.4**
Ford Motor Credit Co. LLC	**0.4**
TC Energy Corp.	**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 -4.0% 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.

Average Annual Total Return[1]

For periods ended December 31, 2021	1 Year[†]	3 Years	5 Years	10 Years	20 Years
Dodge & Cox Balanced Fund	19.28%	15.45%	10.56%	11.95%	8.29%
Combined Index	15.86	17.54	12.62	11.15	7.72

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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. 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.

[†]Investors should note that the Fund's short-term performance is highly unusual and unlikely to be sustained.

The Dodge & Cox Balanced Fund delivered a total return of 3.4% for the fourth quarter of 2021, compared to 6.6% for the Combined Index (a 60/40 blend of stocks and fixed income securities). For the twelve months ended December 31, 2021, the Fund generated a total return of 19.3%, compared to 15.9% for the Combined Index.

Investment Commentary

The broad-based S&P 500 Index posted an exceptionally strong return of 29% for 2021. For value versus growth stocks, however, it was a tale of two halves.[2] During the first half of the year, U.S. value stocks appreciated significantly and outperformed growth stocks. In the second half, value stocks underperformed as COVID-19 variants disrupted the economic reopening in the United States.

More recently, investors have expressed concerns about rising prices and wages, fading fiscal stimulus, and looming monetary tightening by the Federal Reserve. Inflation is now at levels last seen in the 1980s, and the Federal Reserve has accelerated its plans to raise interest rates in 2022. Strong consumer balance sheets and easy access to credit have supported consumer demand, but supply chain bottlenecks and labor market frictions have constrained supply and propelled prices higher.

The U.S. equity market appears to be fully valued. The Fund's equity portfolio continues to be very different from the market, trading at a meaningful discount to both the broad-based and value indices (13.0 times forward earnings compared to 22.1 times for the S&P 500 and 16.9 times for the R1000V).[3] With the Russell 1000 Growth Index trading at 31.6 times forward earnings, the valuation gap between U.S. value and growth stocks is exceptional and has widened further.

The equity portfolio is overweight low-valuation stocks, which we believe are positioned to benefit from accelerating economic growth, and underweight growth stocks, which we believe are more at risk due to their high valuations and lofty expectations for future performance. During 2021, as the portfolio's holdings in the Financials and Energy sectors outperformed the benchmark, we sold JPMorgan Chase and trimmed other positions based on their valuations.[4] We also added significantly to the portfolio's holdings in the Health Care and Communication Services sectors based on their attractive valuations and durable business models, as well as several company-specific factors. In Health Care, we started two new positions—Regeneron Pharmaceuticals and Elanco Animal Health—and added to Gilead Sciences, GlaxoSmithKline, Incyte, Novartis, Roche Holdings, and Sanofi. In Communication Services, we added meaningfully to Charter Communications, and T-Mobile U.S., among others.

The broad U.S. investment-grade bond market returned –1.5%[5] in 2021 as rising Treasury yields presented a significant headwind. The Corporate sector performed very well, particularly in the first half of the year. In fact, spreads on corporate bonds ended June at their narrowest level since 2005, before widening out modestly in the second half of the year. Amid this backdrop, we made a number of adjustments to the fixed income portfolio. Most notably, in the first half of the year, we trimmed certain credit holdings that performed well and had reached full valuation in our opinion. With Agency[6] MBS valuations also rich, we reduced the weighting of that sector in the portfolio. We invested the proceeds in U.S. Treasuries as we await more compelling opportunities. In December, we reduced the portfolio's duration,[7] reflecting our growing discomfort with assuming significant interest rate/duration risk at today's low yield levels given scarce income to offset price declines from even a small rise in interest rates.

Overall, we remain optimistic about the long-term prospects for the Fund. 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.

Fourth Quarter Performance Review

The Fund underperformed the Combined Index by 3.2 percentage points during the quarter. The positive relative impact of the Fund's lower allocation to fixed income and higher allocation to equities was more than offset by the equity portfolio's underperformance.

Equity Portfolio[8]

- Returns from holdings in the Communication Services sector (down 6% versus flat for the S&P 500 sector), combined with a higher weighting in the equity portfolio, detracted. Charter Communications, Comcast, DISH Network, and Fox Corp. were weak.
- In Information Technology, the portfolio's holdings (up 13% compared to up 17% for the S&P 500 sector) and lower weighting hindered performance. VMware and Microsoft detracted.
- The portfolio's holdings in the Industrials sector (up 12% versus up 9% for the S&P 500 sector) added to results. FedEx and Johnson Controls International performed well.

Fixed Income Portfolio

- The portfolio's key rate duration positioning (e.g., underweight to the 20+ year key rates) detracted from relative returns. This was partially offset by the portfolio's below-benchmark duration position (76%[9] of the Bloomberg U.S. Agg's duration), which contributed to relative returns.
- Asset allocation was negative as the portfolio's underweight to U.S. Treasuries and overweight to Agency MBS detracted from relative returns.

2021 Performance Review

The Fund outperformed the Combined Index by 3.4 percentage points in 2021. While the Fund's lower allocation to fixed income and higher allocation to equities had a positive impact on relative results, the main contributor was the equity portfolio's outperformance.

Equity Portfolio[8]

- In Financials, the portfolio's overweight position and holdings (up 50% versus up 35% for the S&P 500 sector) contributed significantly to results. Top performers included Capital One Financial, Wells Fargo, and Charles Schwab.
- The portfolio's higher weighting in Energy added to results. Occidental Petroleum performed well.
- In Health Care, the portfolio's holdings (up 15% versus up 26% for the S&P 500 sector) and higher weighting detracted. Sanofi, Novartis, and Bristol-Myers Squibb lagged.

Fixed Income Portfolio

- Security selection within credit was significantly positive, led by energy-related issuers including Pemex, Rio Oil Finance Trust, Occidental Petroleum, and Kinder Morgan. Other credit issuers also performed well, such as Macy's, State of Illinois, Ford Motor Credit, and Charter Communications.
- Asset allocation was positive as the portfolio's underweight to U.S. Treasuries and overweight to credit contributed to 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 Bloomberg 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 Generally, stocks that have lower valuations are considered "value" stocks, while those with higher valuations are considered "growth" stocks.

3 Unless otherwise specified, all weightings and characteristics are as of December 31, 2021.

4 The use of specific examples does not imply that they are more or less attractive investments than the portfolio's other holdings.

5 Sector returns as calculated and reported by Bloomberg.

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 Duration is a measure of a bond's (or bond portfolio's) price sensitivity to changes in interest rates.

8 Excludes the Fund's preferred equity securities.

9 Denotes positioning at the beginning of the period.

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 or call 800-621-3979. Please read the prospectus and summary prospectus carefully before investing.